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THE NEW REPUBLIC

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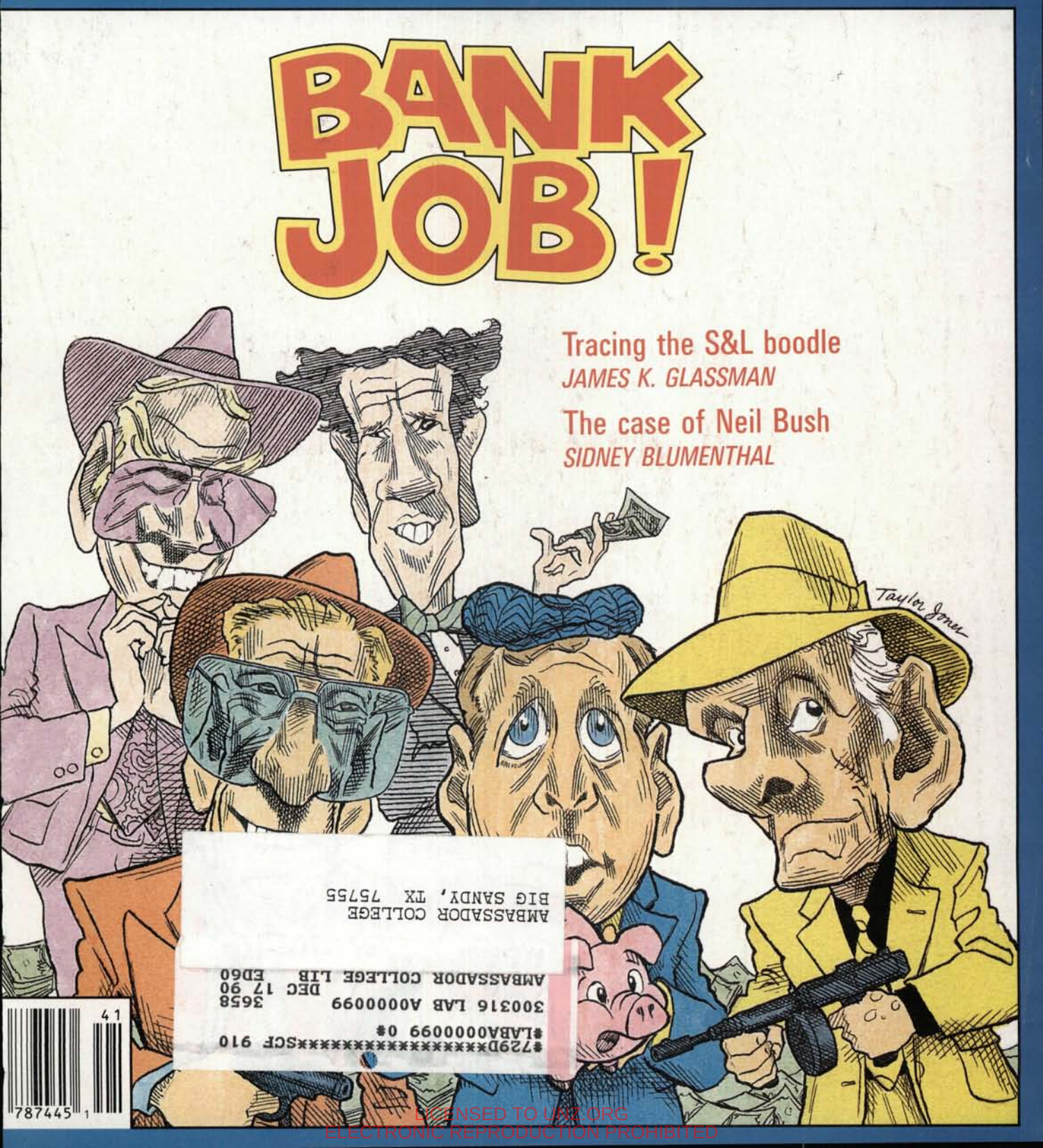

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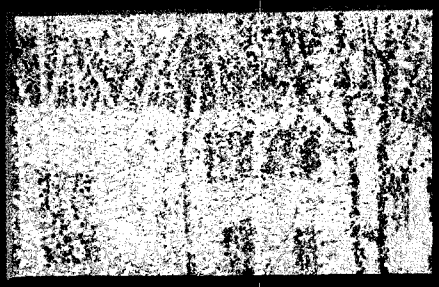

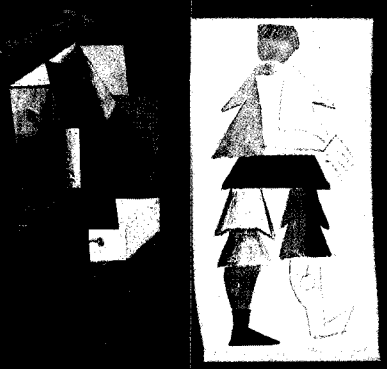
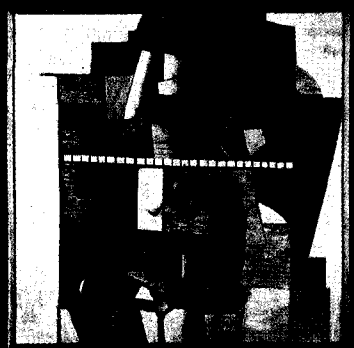

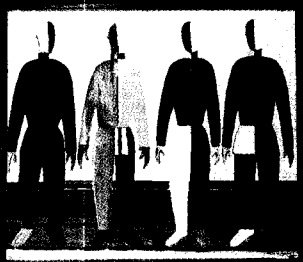
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CORRESPONDENCE

Liberal dunce caps

To the editors:

In his reply to George Will, Hendrik Hertzberg (Washington Diarist, "Actors' Inequity," September 3) properly laments the practice of classifying all opinions and events as either liberal or conservative. Pardon me, however, for pointing out that the left acquired long ago the mental habit of calculating virtually all human behavior in reductive political terms. Remember the slogan "If you're not part of the solution, you're part of the problem," which, in the 1960s, epitomized the moral arrogance of the New Left? The left's readiness to call anyone who resisted its position on any issue a "fascist" contributed greatly to the polarization of politics in this country.

Hertzberg grants Will's point that part of the civil rights movement has degenerated into a "racial spoils system." Then he comes close to excusing this folly because the liberal left remains the protector of the movement's "ideal." Conservatives are "immune" to these follies because they are "indifferent" to the ideals that animate the left. The difficulty, of course, is that these ideals are now widely perceived as conflicting with other ideals, namely, elementary fairness and common decency. The slogans and sanctimony of the 1960s have given way to legalistic machinations and tactical chicanery aimed at achieving the left's exclusive definition of civil rights. Nothing has changed, really. Either you go along with the left's program or you are required to wear a moral dunce cap. A lot of us who avidly supported the 1964 Civil Rights Act and remain committed to social justice resent the imputation of moral laxity just because we have the gall to accuse the left of pushing for social policies that directly contradict that legislation.

DAVID RANKIN
Torrance, California

Mexico as No. 3

To the editors:

In describing the U.S. relationship with Mexico as "our most important," and labeling a free trade agreement with Mexico as "one of [our] highest foreign policy priorities," Robert A. Pastor continues the tradition of special relationship advocacy that has dominated the thinking of many U.S. experts on Latin America for decades ("Salinas Takes a Gamble," September 10 & 17). The facts suggest some hyperbole.

Pastor stresses that Mexico is our third most important trading partner. But there is a sharp drop from No. 2 to No. 3: our trade with Canada and Japan last year totaled, respectively, $167 billion and $138 billion, compared with only $52 billion with Mexico. With respect to trade, we are vastly more important to Mexico than Mexico is to us: it accounts for 6 percent of our trade, we account for 60 percent of Mexico's.

Pastor speaks of "a [North American] market of 350 million people," which presumably includes some 85 million Mexicans. But in purchasing power, it takes about ten Mexicans to match one Canadian or American. That's partly because Mexico's per capita income is so much lower, but also because income is so much more inequitably distributed there.

Liberalized trade with Mexico and other nations in the hemisphere could, in the long run, make sense for all parties, but that is a far cry from "one of our highest foreign policy priorities." And let me suggest a few other candidates for "our most important relationship": Canada, by far our most important trading partner (we even import more oil from Canada than we do from Mexico), Japan, the Soviet Union (who could become one of our principal trading partners), and a reunified Germany.

LAWRENCE E. HARRISON
Cambridge, Massachusetts

The writer is a visiting scholar at Harvard University's Center for International Affairs.

Unhung jury

To the editors:

In "Trial by Jury" (TRB, September 3), Michael Kinsley suggests that the U.S. Constitution would prohibit jurisdictions in this country from adopting the recent British innovation of allowing non-unanimous jury verdicts in criminal cases.

This is not so. Although it is unclear what the Supreme Court would say if Congress were to provide for non-unanimous juries in criminal trials in the federal courts (and the D.C. court system where Marion Barry was tried might be considered a federal court for these purposes), the Court held in *Johnson* v. *Louisiana* (1972) that the states are free to allow criminal convictions by non-unanimous juries, as several states have. In *Johnson* the Court upheld a statute permitting conviction (and acquittal) by a 9-3 vote. Moreover, the Court has also held that the states are free, even in criminal cases, to use juries with as few as six

continued on page 45

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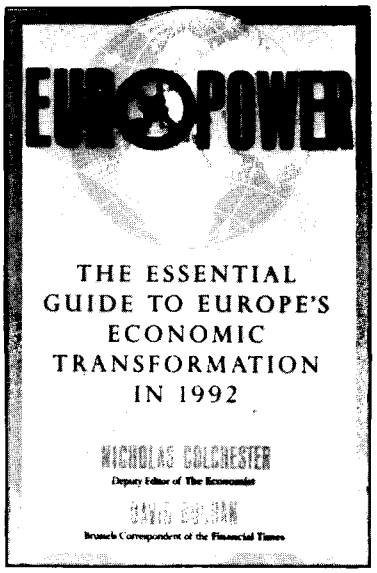
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THE NEW REPUBLIC

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4 CORRESPONDENCE Liberal chicanery, non-unanimous juries, educating teachers, &c.

6 MICHAEL KINSLEY **TRB: KUWAITI FRIED** U.S. chickens come home to roost in the Gulf.

7 THE EDITORS **ART APPRECIATION** There is only one sane decision Congress can make about the National Endowment for the Arts: to oppose content restrictions. **DUKED OUT** Lessons of a Massachusetts upset. **NOTEBOOK** Dusting for drugs in the office.

10 FRED BARNES **WHITE HOUSE WATCH: PRINCE OF POVERTY** President Bush is going to give Jack Kemp a chance to try out his ideas in a new post: anti-poverty chief.

12 JACOB WEISBERG **SPECIAL EDITIONS** How *Time* and *Newsweek* help Japanese companies cooperate with the Arab League's economic boycott of Israel.

14 ROBERT D. KAPLAN **IRAQI INDIGESTION** Most of the world's Kurdish population is ruled by Saddam Hussein, but don't try calling them Iraqis.

16 JAMES K. GLASSMAN **THE GREAT BANKS ROBBERY** There are many villains in the $500 billion S&L scandal, but the whole gigantic, appalling scam wouldn't have been possible without the combination of rock-solid federal deposit insurance and laissez-faire federal non-regulation. Here's a step-by-step primer on how the game worked.

21 SIDNEY BLUMENTHAL **THE SENSITIVE SON** Neil Bush bought the family myth that his dad, the future president, had made it on his own in the business world. This plus the lad's guileless good nature made him fish food for the piranhas of Denver's gold-chain-and-Maserati demimonde gathered around Silverado Savings and Loan.

30 STANLEY KAUFFMANN **ON FILMS: FILM WORLDS** Kurosawa's masterful *Dreams; Postcards from the Edge* is a flimsy vehicle, but Streep and MacLaine know how to drive.

31 PAUL BERMAN **SHAME** In a year of political upheavals all over the world, the Rushdie affair put the question of liberalism vs. totalitarianism in a dazzling light—so dazzling that many, in the East and the West, on the right and the left, were blinded.

36 ALICE FULTON **POEM** *Trophies*

39 JAMES Q. WILSON **MULTIPLE CHOICE TEST** *Politics, Markets, and America's Schools* by John E. Chubb and Terry M. Moe

42 JOHN HOLLANDER **DOCTOR OF HUMANITIES** *The Doctor with Two Heads and Other Essays* by Gerald Weissmann

46 MARTIN PERETZ **CAMBRIDGE DIARIST: GRIST FROM MILL** The unmapping of Iraq.

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FROM WASHINGTON

Kuwaiti fried

Here in America, the Persian Gulf crisis is still in its euphoric stage. Hey, whaddaya know, we're not declining after all. Lesser nations still look to us. "Unipolar" is the phallic term foreign policy gurus have chosen to describe their new vision of the post-cold war world under America's leadership.

But the euphoria will not last. Kevin Phillips (every Democrat's favorite Republican political seer) points out that this is the first big international crisis since the end of World War II where the dollar has gone down instead of up. However the Gulf affair is resolved, it represents large chickens of the 1980s coming home to roost.

Two in particular. First, the economic myth of the free lunch: that we can live beyond our means indefinitely without paying a price. Second, militarily, the Rambo illusion: that we can play superpower in the world at no risk of blood or treasure. Many people (I was one) said the 1987 stock market crash was the end of myth No. 1; we were wrong. And the painless collapse of communism, which no one predicted, gave brief extended life to myth No. 2. Now we face an economic emergency with a federal deficit already over $200 billion, a "core" rate of inflation (excluding food and energy) over 6 percent, and a trade deficit heading up again even apart from oil. And we face a military emergency unequipped to weigh sensibly the cost of fighting a war against the benefit.

What unites the two myths is the unwillingness of our leaders, throughout the 1980s, to ask citizens for any sacrifice, however small, for any national purpose, however large. Or rather, the citizenry's patent unwillingness—proven at the voting booth—to make any such sacrifice, because our leaders have convinced us that it is unnecessary. We could "have it all," as the glossy magazines of the 1980s put it.

President George Bush is the logical culmination of the 1980s mythology. He is a rhetorical spendthrift. He seems to have no sense of the absurdity of declaring that Iraq's invasion of Kuwait threatens our freedom and way of life, sending 150,000 troops to the desert, then interrupting the crisis to insist that drugs are still America's No. 1 problem. The notion of trade-offs—that more of this means less of that; that if one thing is more important, other things are less important—is foreign to him.

It was characteristic of Bush, in his September 11 speech to the joint session of Congress, to begin with a call to put aside partisanship and end with a partisan sermonette on the budget talks; to say, "Americans must never again enter any crisis, economic or military, with . . . an excessive burden of Federal Debt," then go on without blushing to propose a series of new tax cuts, mostly for the well-to-do.

Some Republicans, such as Minority Whip Newt Gingrich, argue that the threat of recession, heightened by the oil price increase, makes serious deficit cutting unwise right now. Saved by the bell! But our looming economic troubles don't make the long-term dangers of the deficit any less dangerous; they simply make these dangers more costly to avoid. The party poopers have been saying for a decade that the deficit should be dealt with in good times so as not to have to deal with it in bad times. Now it's too late.

"America is tired of phony deficit reduction, or promise-now save-later plans," says Bush, which are the right words, even if there is no real evidence America is tired of being fooled about the deficit. Yet Bush utters these fine sentiments having never produced an honest, concrete, public deficit reduction plan of his own, with or without a tax increase!

As I write, the budget summit remains stalled. "The president is pushing hard for a budget agreement from Congress," explains a typical news report, as if it doesn't take two to tango. The White House is skillfully preparing to blame the Democratic Congress for either the failure to reach agreement or the tax increases any agreement might contain. Yet by all reports, the biggest hang-up is Republican insistence on a capital gains tax cut.

Whatever the merits of a capital gains cut as a way to stimulate the economy (and they're dubious), it is classic Bush-think to declare that nothing is more important than cutting the deficit and then let the process stall over a side issue. The capital gains break and the other tax goodies Bush proposes—such as renewed tax subsidies for oil exploration—are essentially a Republican version of industrial policy: government interference in the allocation of capital and the workings of the free market on the grounds that Uncle Sam knows best.

The tax burden has been shifting from rich to poor throughout the past decade. Yet every time economic trouble looms, we're told that the only solution is more tax breaks for the better off. We weren't informed when the process started that this is a drug that requires an ever-higher dosage to keep working. (Talk like this, by the way, earns you accusations of committing "class warfare." Apparently it isn't class warfare to make the tax burden more regressive, but it is class warfare to complain about it.)

The Rambo illusion that playing superpower is easy was born in Grenada, a country we invaded and captured before most of us knew it even existed. The illusion flowered in Nicaragua, where it was given intellectual clothing in the Reagan Doctrine: we would short-circuit the Vietnam syndrome, and yet have our way in the world anyway, by supporting indigenous local movements. Ronald Reagan apparently spent his entire tenure as president believing that this antiseptic vision of warfare applied not just to America but to our targets as well. He thought the Nicaraguan contras didn't attack power stations because that would "hurt the people we're trying to help." The illusion survived to liberate Panama; we've never gotten a straight answer about how many civilians died in that war.

Bush clings to the illusion in Iraq: that we can rid the world of Saddam Hussein without major loss of life (at least American life). Maybe he and we will luck out. But both sides in the debate over what to do if the economic embargo doesn't work need to fear that the Rambo illusion will now backfire. Those who want war must worry that Americans won't fight real wars anymore. Those who think it is not worth the price must worry that a decade of Grenadas and Panamas has misled Americans about how awful the price might be.

Bush does make vague noises about "sacrifice" these days when talking about the Gulf crisis. But the emphasis is on glorious opportunity: a "new world order." If Bush understood before August 2 that the collapse of communism—far from meaning that American troops could come home after half a century—meant that they would soon be stationed in even more parts of the world than they were before, he kept it to himself. If he saw the end of Soviet power as an opportunity for the United States to get *more* involved in regional conflicts, rather than (as was widely believed until August 2) a reason to be less involved, he failed to mention this. And if he has given any thought to the risks and costs of this new world order, who will bear them and whether they're worth it, he is not discussing the matter. As usual.

MICHAEL KINSLEY

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THE NEW REPUBLIC

OCTOBER 8, 1990

ART APPRECIATION

"Creative writers of exceptional talent who meet the publication requirements listed below are eligible to apply," the application guidelines of the National Endowment for the Arts informs hungry, worthy applicants in "fiction, poetry, creative non-fiction." One of those requirements is a manuscript sample, which may include "excerpts from novels." And so one hungry, worthy applicant, his eye on $20,000 and the completion of a novel, packs the early pages of the work into the rest of his forms and sends it off to 1100 Pennsylvania Avenue NW. There the scrutiny begins. This ambitious book about the Homeric wanderings of a Jewish man through the big city looks terrific, it begins with extraordinary energy, its music stuns the judges, until, in the middle of its hero's ruminations on the wisdom of land speculation in Palestine, they stumble upon a gorgeous riff on the Dead Sea, a little poem in prose, which concludes by calling it "the grey sunken cunt of the world." The grant is denied.

That obscenity was penned, of course, too far away in time and place for Senator Helms to reach. The hero is Leopold Bloom, the city is Dublin, the novel is *Ulysses*. The beautiful, offending line is uttered by Bloom early that June morning; he has finished his breakfast only a few pages before. In the climate of controversy that has surrounded the NEA, however, he would never have made it to lunch.

Well, not quite. As we write, sanity seems to be prevailing in the relevant advisory bodies and congressional committees. The NEA no longer seems doomed. Anyway, the writing of *Ulysses* was not funded by a government grant. Hungry, worthy artists take note: there is honor in waiting tables. Novelists and painters and dancers in America have neither a human right nor a constitutional right to a government subsidy; and those members of the artistic avant-garde who have tried to make the criticism of the NEA look like a violation of their First Amendment rights have warped the discussion as badly as those members of the political arrière-garde who have tried to make an attempt to keep American art tame, old, and heterosexual look like an elevated debate about the relationship of the state to the arts.

In fact, the state has always supported the arts. Different types of states have evolved different types of patronage. The patronage of aristocratic societies and established churches has been replaced, in the United States, by more appropriately democratic procedures. And the old patrons, by the way, also fed hundreds of hacks for every Titian. There was always more bad art than good art.

A symphony orchestra, moreover, cannot wait tables. Neither can a theater company. Neither can a ballet troupe. Neither can a sculptor who works in large, costly materials. The argument against federal funding for the arts usually warms itself with Romantic images of poets in garrets or painters *en plein air*, as if those lonely figures are the makers of most of American art. They are not. The units of our culture are usually larger, the exercises of our culture (not least the safe

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ones that the middlebrows love, *Our Town* in Fresno, "Hungarian Rhapsodies" in Syracuse, the Helga paintings in Omaha) are usually expensive. A blow against the NEA would be a blow against the visual and musical and theatrical life of most of the communities of the United States.

But the issue, of course, has been new American art. One well-known historian even suggested that the NEA restrict itself to the support of "old, established art." Monet, not Rothenberg. Rodin, not Caro. Balanchine, not Morris. Frost, not Strand. Brahms, not Penderecki. (What happens if the Detroit Symphony puts Brahms *and* Penderecki on the program? Do the Feds rush the stage?) Such an attitude views a culture museologically. It is premised—unlike the NEA, which insists that there be culture also in the future—on the idea that culture establishes its classics, defines its canon, and ends. The NEA debate has exposed the extraordinary extent to which people in all walks of American life appear to believe that there is a natural relationship between culture and decorum. In truth, art has always been the highest form of anarchy, a blessedly reliable source of social and spiritual offense. Consider such disgusting assaults on order and decency as *The Last Judgment*, *Cosi fan tutte*, and *Don Juan*, some of them even funded by princes of the church and the state, who were sadly blinded to the interests of fine, ordinary people by their nihilistic need to keep up with the latest in form.

What good government, committed to the freedom of its society and to the happiness of its citizens, would *not* want to help Joyce finish *Ulysses*? That is the really interesting question. During the recent mugging of the NEA, even the supporters of the agency and the arts fell back on excuses and extenuations. Almost not a single American politician stepped forward to say resoundingly, in a proper take-no-prisoners tone, that the American government has no reason to apologize for the richness of American cultural life, that the robust health of the arts in America has been one of the great achievements of American government, precisely because our government helps our artists and then lets them alone.

Many of the same people who, a Reaganite decade ago, were insisting that we cannot have a national defense without an irreducible quantum of "waste, fraud, and mismanagement" in the defense budget have been exhibiting a positively Thoreauvian sensitivity to the use of their tax dollars in the arts budget. The irony has been intermittently amusing. Well, they had a point about the defense budget. In fact, the point is good about all of the government's programs. There is no federal program that can retrospectively defend the expense of every dollar it spends. That is not a license, of course, for profligacy. But not many of the exacting critics of the defense budget are suggesting that we shut the Pentagon down. The point can be made more philosophically and less polemically. The American political system was designed to accommodate the giving of offense. I agree that some of my tax dollars will be spent in ways that displease me because you agree that some of your tax dollars will be spent in ways that displease you. There are limits to this contract, as Thoreau showed; but those limits should not be invoked often. If they are invoked often, we become a nation of grudge-bearers, which is a little like what we have become.

In truth, the analogy between the federal program for the arts and other federal programs breaks down over the nature of art, but in a way that only strengthens the argument for an untrameled NEA. The difference is this: you can remove an element from a missile system and leave the missile system intact, but you cannot remove the naked lady from *Le Déjeuner sur l'Herbe* and still have *Le Déjeuner sur l'Herbe*. Nor can you remove *Le Déjeuner sur l'Herbe* and still have Manet. Art is less like a machine and more like an organism. Each of its parts are implicated by each of its parts. And the careers of artists cannot be directed from outside, though they can be influenced from the most unexpected quarters. (Normally Americans have reserved their greatest contempt for the sorts of political systems that direct artists, that enlighten them with what we politely call "content restriction.") If you want art, you must have artists; and if you have artists, you must leave them be; and if you leave them be, you may like what they make or you may not like what they make; and if you do not like what they make, you do not have to see it or hear it. (Unless you see it or hear it, though, you cannot honestly say why you do not like it.)

The suggestion, popular a few months ago and now returning to the fringes that originated it, that the NEA is in the business of subsidizing obscenity is, well, obscene. The proportion of federally funded obscene art—we speak here to those illuminated citizens who know it when they see it—to federally funded non-obscene art is thoroughly trivial. And surely those citizens, too, have an interest in the survival of the NEA. Even those citizens will concede that art is what the political philosophers call a "social good." With the NEA, they can keep their children from the Mapplethorpe show and take them to "Peter and the Wolf." Without the NEA, there will be no Mapplethorpe, no Peter, and no wolf.

We are suprised, but extremely pleased, to see common sense returning to the NEA debate. It now appears that the NEA will be reauthorized by Congress without "content restrictions." The hopeless question of obscenity will be sent back to the judiciary, where it belongs. And the certification requirement, according to which a recipient of NEA funds must sign a pledge that the funds will not be used to create obscene work, has been denounced by the independent commission chaired by John Brademas and Leonard Garment, and has already been challenged in three courts. With any luck, it won't be long before we'll be back to the old critical wars. Is Warhol art? Is expressionism in painting just a gimmick? Is Romanticism in music still legitimate? Is the American novel too detached, or not detached enough, from American life? Compared with the recent attack upon the NEA, upon art itself, those wars will be deliciously sweet to fight.

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DUKED OUT

There is no precedent in modern American politics for the fate of Governor Michael Dukakis of Massachusetts. No other figure has fallen so far so fast; no one so conspicuously virtuous has inspired such profound contempt. Two years ago he stood in the radiant light of the Democratic convention in Atlanta, embraced by his wife, as wave after wave of almost primal adulation from the delegates washed over him. "We will win!" he cried. For a brief moment that now defies one's senses to recall, he was believed.

Then he added: "This campaign is not about ideology—it is about competence." This line, which seemed at the time to be a prudent claim to the pragmatic middle ground, turned out to be a fantastic, insupportable plea, hollow at both ends. Having chosen not to defend his beliefs, Dukakis was at a loss to defend himself. His campaign was notable only for its emptiness—the endless backpedaling before the dreaded shadow of "the L-word"; the deadening mantra of "good jobs at good wages"; the stubborn refusal to seize the issue of economic equity until it was too late. In the end it did not matter that Dukakis, in his defeat, finished better than Mondale, Carter, and McGovern had done in theirs. Their defeats were statistically worse, but Dukakis's failure of purpose was a more profound disgrace.

The day after the 1988 election, Dukakis was in his State House office, diligently at work. His evident contentment was his next disastrous misstep. Nearly everyone in Massachusetts, regardless of party affiliation, had been caught up in his campaign. He had made the state—the Massachusetts Miracle—his very platform. When he won the nomination, he evoked a pride that he had never been able to produce before. Upon his return, he showed no recognition of what his loss meant in his home. The emotional minimalism that had crippled him during the campaign now undermined him further. By his perverse political alchemy, he turned the disappointment that might have become sympathy into anger. This anger soon was whipped into an uncontrollable rage as the mismanagement of the state's finances became apparent. At the same time, Massachusetts, like the other states of the Northeast, began to fall into a recession. Dukakis stepped forward with a promise to solve all the problems by a demonstration of his fabled administrative competence. Again he failed. And he became the touchstone of all that was going wrong.

His tribulations had no end. One after another, catastrophes struck him as though he were a modern Job. The most hurtful had to be the publication of his wife's memoirs. The opening sentences have already achieved a twisted literary immortality: "I'm Kitty Dukakis and I'm a drug addict and alcoholic. I am also the wife of the governor of Massachusetts, and, not so long ago, came perilously close to becoming the first lady of the United States of America." Even the captions on the photographs in *Now You Know* are deeply unsettling. One shows the Dukakis family eating breakfast. "Morning," writes Kitty, "has never been my favorite time of day." How difficult it must have been for Dukakis to carry on amid the private horror of his wife's self-destructive turmoil. Yet he never expressed a sense to the public that he comprehended her pain or felt his own. With this additional failure, the failure to acknowledge the emotional consequences, his drama never took on the character of tragedy, but just of pathos—or worse, of dark comedy.

On September 18, in the Massachusetts primaries, the repudiation of Dukakis was thorough. He was not on the ballot, but he was the dominant factor in the contests. The electorate's desire to humble him seems to know no bounds. Both of the candidates chosen by their party's voters supported George Bush in 1988. The Democratic nominee, John Silber, must appear as a kind of Darkman in Dukakis's waking nightmares. The Republican, William Weld, a moderate patrician of a type familiar to previous generations of Massachusetts voters, is heir to the clean-government tradition that also produced Dukakis; yet Weld, hardly less than Silber, represents change.

Silber's impulse to make denigrating comments—about the aged, blacks, Jews, Cambodians, whomever—was supposed to be his undoing. Yet his wild frankness, his seeming willingness to say any damn thing at all, was also his strongest appeal. When he said a few days before the primary that he had given no speeches in Roxbury, Boston's Harlem, because he could see no point in addressing "a group of drug addicts," black citizens whose efforts to lead decent lives are made no easier by the degradation of their neighborhoods were rightly appalled. White racists, of course, were pleased; but the remark, for all its ugliness, had some resonance too with citizens who are not racists but who are simply sick and tired of the evasions and prettifications of political discourse, especially the evasions and prettifications that surround the issues of drugs, crime, and race.

The end of Michael Dukakis's career as a politician dissolves the hopes that were once, briefly and mistakenly, projected on him. His downfall coincides with a general rejection of incumbents, which was clear in Massachusetts, where all six of the statewide candidates who had been endorsed by the two parties' conventions were unceremoniously cast aside in the primaries.

But what waits in the wings to replace Dukakis is not a program, a cause, or a movement. On the day of the Massachusetts primary, the Times Mirror publishing company unveiled a poll that showed that citizens' alienation is deepening. "Despite the personal popularity of President Bush," wrote the authors of the study, "cynicism toward the political system in general is growing as the public in unprecedented numbers associates Republicans with wealth and greed, Democrats with fecklessness and incompetence." Dukakis's ruin may not be a harbinger of anything, except a widening of the vacuum.

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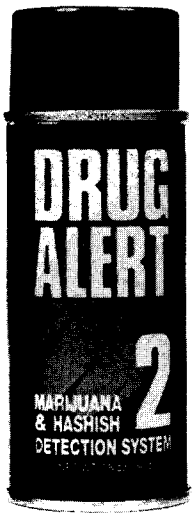
NOTEBOOK

POP TEST: SherTest, a Yonkers-based company, recently introduced a $49.95 spray kit designed for parents to test their kids' rooms for drugs. The product, DrugAlert ("When you want to know what you don't want to know"), has sparked a talk-show controversy among civil libertarians and children's rights advocates, and some local TV affiliates have refused to air a commercial for the product. As a service to our readers, we ordered DrugAlert and tested it around the office. The kit consists of three brightly colored aerosol cans. Two are required to test for marijuana and hashish, and one for cocaine. All we had to do was wipe our employees' desks with a white paper towel and spritz with the spray can. Traces of cannabis would turn the paper reddish-brown; cocaine or crack, turquoise. We can report with pride that our new interns are keeping their work surfaces substance-free. True, there is a suspicious tinge on the doorknob of one of our senior editors. But not to worry—"DrugAlert only indicates the presence of drugs, not their use." Also, the manufacturer recommends that "any positive results be confirmed with a reputable drug testing laboratory." Since there are more than fifty tests per can, we figure it'll be a cinch to keep the use of chemicals in our offices limited to rubber cement, ink, and toner. •



WHITE HOUSE WATCH

PRINCE OF POVERTY

By Fred Barnes

Hard as he tries, Jack Kemp will never be President Bush's idea of a team player. At a Domestic Policy Council session in May, Kemp dubbed budget director Richard Darman "another Stockman." It wasn't a compliment, and Darman reacted testily, canceling a meeting with Kemp. Also in May, Kemp criticized budget negotiations as a "tax summit" and warned against any tax increase. "If no one else [in the administration] will make the case, I will," he told Ann Devroy of *The Washington Post*. The White House let that pass. But John Sununu, the White House chief of staff, interceded in June when Kemp zinged Pierre Rinfret, the Republican candidate for governor in New York, for stressing the death penalty. "If that's what politics has descended into in the 1990s—who can get to the far right on the death penalty—it is a sad day," Kemp said.

Among Bush's cautious policy-makers, Kemp is an anomaly, a rabble-rouser hemmed in by clerks. He incessantly talks up deep, new tax cuts, a higher personal exemption, vouchers, and "an audacious and dramatic war against poverty and despair." Still, as secretary of housing and urban development, he's had little influence in economic or domestic policy-making, except in getting his ambitious plans at HUD approved. "I've been the skunk at the picnic for over a year and a half," Kemp says. At a Cabinet meeting in July he pleaded with Bush to fight Democrats aggressively for a capital gains cut. "Mr. President, we're fighting by the Marquis of Queensbury rules," he said. "They're fighting like alley cats." Bush didn't respond, though he later began touting a capital gains cut. But in September he responded directly to another Kemp initiative, signing off on a coordinated anti-poverty program (or "comprehensive economic empowerment strategy," as it's known at the White House). Bush made Kemp anti-poverty czar.

There may be less here than meets the eye. Bush's commitment to a conservative war on poverty is suspect, all the more because the White House didn't announce the new anti-poverty campaign publicly. The alibi is that the White House was too distracted by the Gulf crisis and budget summit. Maybe. Domestic Policy Council members were informed of Bush's decision in a September 4 memo, written in bureaucratese, from Attorney General Richard Thornburgh, who heads the DPC. "As approved by the President, an Economic Empowerment Task Force will be formed under the Domestic Policy Council to continue the development and coordinate the implementation of the Administration's anti-poverty agenda," he said. "The Task Force replaces and succeeds the Low Income Opportunity Board and will report to the President through the Domestic Policy Council."

Even without the fanfare, Kemp was satisfied. The task force, he said, "at least gives me a pulpit in the Bush administration to address the very serious social and economic problems that inhibit our ability to tell the rest of the world that democracy and capitalism work." Besides, it represents a major victory for Kemp. He'd been frustrated in getting the White House to adopt the fight against poverty as an administration priority and not just a HUD effort. Kemp had talked idly to associates about moving to another job, perhaps as U.S. trade representative if Carla Hills departed. Now he'll stay at HUD, with a bigger portfolio.

The task force has enough breadth for Kemp to pursue most of his anti-poverty ideas. Part of its job, according to Thornburgh's memo, is to "identify new initiatives consistent with the principles of the administration's economic empowerment and budget policies" and to "coordinate the review of current programs by

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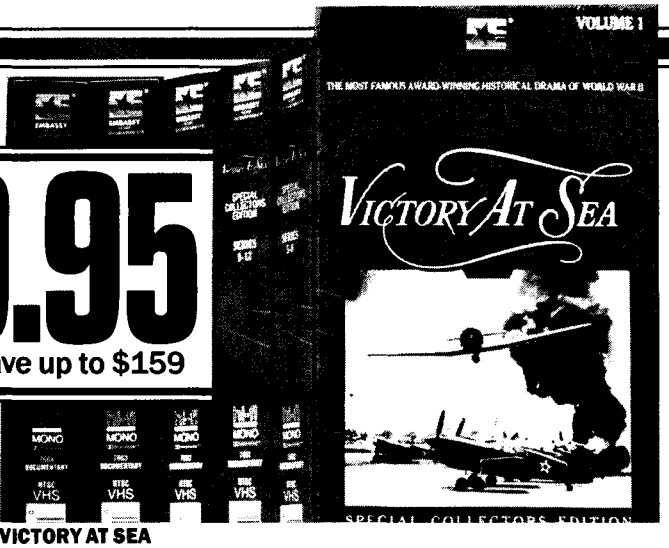

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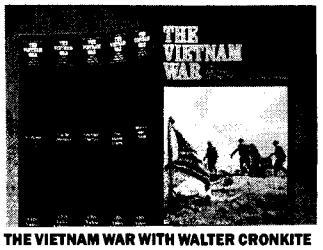

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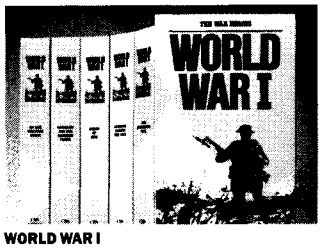

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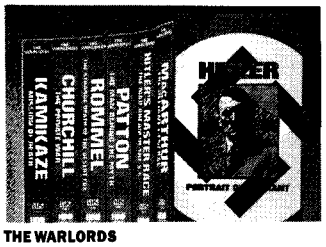

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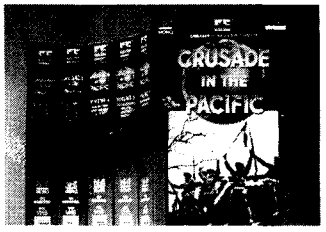

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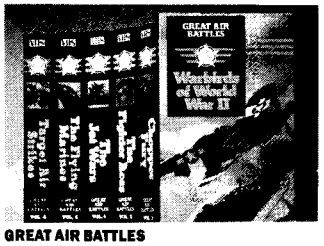

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each Department, including a study of the distributional effects of existing programs." That means Kemp has leeway, so long as his schemes don't cost too much. In June Kemp spelled out a "national agenda to help low-income people" in a speech with the highfalutin title, "An Inquiry into the Nature and Causes of Poverty in America and How to Combat It." His agenda includes a cut in the capital gains rate to 15 percent (and to zero in inner-city enterprise zones), more tenant ownership of public housing, wider use of housing vouchers, removal of more poor families from tax rolls, a higher personal exemption (Kemp mentioned $6,000, compared with the current $2,000), "dramatic" expansion of the earned income tax credit, school vouchers and tuition tax credits, and comprehensive care for the homeless.

Until midsummer the administration was not interested in elevating the poverty issue. For months the Low Income Opportunity Board had mulled anti-poverty options, but it never acted on them. Last March the White House official who ran the board, William Roper, left to take over the Centers for Disease Control in Atlanta. "Once he left, it was leaderless," said an official. "It floundered." The administration was prepared to settle for better targeting of existing programs. "That's good government, but it's not a war on poverty," said an administration official. "If it's sold as a conservative war on poverty, it only shows conservatives are bankrupt."

Kemp was miffed at opposition by Cabinet members to a serious anti-poverty program. Darman, for example, questioned whether enterprise zones would work in Appalachia. On May 25 Kemp sent a letter to Thornburgh, insisting that "a moment of critical mass" had been reached. (Kemp also sent the letter to Sununu, Cabinet members, and friends in the press.) "It is past time for the Administration to aggressively highlight a new comprehensive anti-poverty agenda. . . . Should the Administration raise the visibility of poverty? In my view, poverty already has high public visibility. . . . Raising the Administration's concern with this problem and pressing forward with a new solution need not lead to massive increases in government spending, as some fear, or shift the agenda toward Democratic Party issues and strengthen Democratic coalitions. . . . I believe that a very substantial part of the poor and minorities are ready to vote for President Bush and Republicans if we show them a way out of the poverty trap."

Thornburgh was sympathetic, Sununu encouraging. Just as important, Kemp found a small knot of allies at the White House among domestic policy staffers. Two were fresh from the Treasury Department, Cabinet Secretary Edith Holiday and Richard Porter, a domestic policy aide. One was the new deputy domestic adviser, Charles Kolb. Another was James Pinkerton, who'd long been intrigued by Kemp's anti-poverty ideas. Among other things, they invited Hernando de Soto, the Peruvian economist who believes capitalism can cure poverty, to lunch at the White House mess. Kolb, who'd been an assistant secretary at the Education Department, was eager to make school vouchers an administration theme. At a White House briefing in September he praised the program in Milwaukee that gives vouchers to inner-city kids to choose the public or private school they attend. He was confronted by Bert Grover, the Wisconsin school superintendent. "You know, I'm trying to stop all that," Grover said. "We hope you fail," Kolb said.

When the Domestic Policy Council sent Bush an option paper on poverty in August, Kemp took great care to see that it sounded convincing and soaring. He feared Bush might choose a tamer option, such as a study of all federal anti-poverty programs. Kemp balked at the first version of the memo and summoned three domestic policy staffers to his office for a lecture. "They hadn't been completely educated by Jack Kemp about the correct vocabulary," said a HUD aide. "It can't look like it's tinkering with the system," Kemp told them. "It's got to be bold. It's got to be in some ways revolutionary. We need a total overhaul." With high-octane language, the memo went to Bush, and persuaded him to pick Kemp's high-visibility option.

A question remains: Will Bush let Kemp fight a real war on poverty, or merely continue talking about one? Bush's domestic record, tame at best, is not encouraging. But Kemp is confident. "You think I'd take the job if [the anti-poverty drive] is going to be tepid?" says Kemp. Not knowingly, he wouldn't. Kemp says Bush has the chance now to be as bold in domestic policy as he has in foreign affairs. Indeed he does. •

'Ex-Israel' extras at *Time* and *Newsweek*.

SPECIAL EDITIONS

By Jacob Weisberg

Despite their current differences, the governments of Syria, Iraq, Saudi Arabia, Jordan, and Kuwait remain allies in one ancient campaign: the economic war against Israel. With the qualified exception of Egypt, all the member states of the Arab League continue to uphold the boycott, in effect since 1951, that not only forbids trade between the Zionist entity and themselves, but blacklists Western companies with links to Israel, and sometimes even companies that do business with companies that do business with Israel. These sanctions, administered through the Central Office for the Boycott in Damascus, Syria, have proved the most effective weapon in the Arab arsenal against Israel. Though it is impossible to put an exact figure on it, the boycott has cost the Israeli economy bil-

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lions of dollars in lost trade and foreign investment.

Hundreds of European companies regularly honor requests to forswear Israeli links, or even to certify that they have no Jewish employees. However, it is Japanese companies that are the most slavishly obedient to the boycott's restrictions. That's why one can't buy a new Toyota or Nissan in Tel Aviv. In the United States acquiescence to boycott requests is rare. According to the Commerce Department's Office of Anti-Boycott Compliance, American companies reported 12,668 requests last year from Arab authorities (more than a third from Kuwait) for compliance with the boycott. The vast majority were refused: most American companies have made it a practice to spurn boycott requests, since Congress made honoring them a criminal offense under the Export Administration Act in 1977.

Anti-boycott sentiment appears not to have reached the New York headquarters of *Time* and *Newsweek*. The newsmagazines assist the Arab League's crusade by publishing "ex-Israel" editions, which cater to companies that wish to avoid the taint of having even pictures of their wares seen by Israeli eyes.

To understand how *Time* and *Newsweek* facilitate cooperation with the boycott, it is necessary to know something about the workings of their regional editions. Each prints variations on its domestic magazine tailored to the largest foreign consumer markets: Europe, Asia, Latin America, and the Middle East. Most of the editorial content of these editions is the same as what appears in the United States. The ads, however, are different. Modern printing technology makes it possible to customize the content to suit the geographic needs of advertisers. For example, a company may purchase space in only those copies of *Newsweek* circulated in Scandinavia, or those that go to Malaysia and Singapore.

The country groupings listed in the 1990 rate cards of both magazines follow geographic logic with one exception: Israel. Instead of being included in the Middle East, as it is for editorial purposes, Israel becomes part of Europe for the advertising divisions of *Time* and *Newsweek*. Employees of the two magazines explain this policy by pointing out that Israel is closer to Western Europe than to its Arab neighbors in its consumer tastes. According to Ludovico Fabrizio, *Time*'s director of international administration, "It is very unlikely that anyone in the Middle East edition would want to advertise in Israel."

This makes a certain amount of sense. What is more sinister is that after gerrymandering Israel out of the Middle East and appending it to Europe, both magazines offer advertisers the option of excising it from Europe by selling space in a Europe ex-Israel edition. The existence of this edition makes it possible for companies to have their ads included in copies of the magazines that circulate all over the world, while being left out of the few thousand sold on newsstands and sent to subscribers in Israel.

In the case of *Newsweek*, advertisers actually pay more to publish advertisements in the Europe ex-Israel edition than they would for space in the magazine's standard European edition. This appears irrational, since the ex-Israel edition has a smaller average net circulation: 238,000 instead of 248,000. A one-time, full-page color advertisement in Newsweek Europe, which includes the United Kingdom, Ireland, Europe, and Scandinavia, costs $22,915. To reach "all of the countries covered by Newsweek Europe with the exception of Israel," the cost is $24,555, 7 percent higher. (*Time* charges about 1 percent less for its ex-Israel edition).

Newsweek charges extra because "in terms of production, it costs more to stop the press and print 10,000 copies differently," according to Theresa Yeung of the magazine's marketing department. But the real question is why anyone would pay more for less. Yeung says the edition exists because "a lot of advertisers have actually asked to exclude Israel." And why would they want to do that? "It could be some sort of religious, or other ethical problems. It could create distribution problems if their advertisements are seen in Israel." In other words, paying more for fewer copies makes sense if you think it will keep your company off the Arab blacklist.

Fabrizio of *Time* said the ex-Israel edition serves companies that have no distribution in Israel. "If you don't distribute, there's no point in advertising." Asked whether firms that don't distribute in Israel might be avoiding it because of the Arab boycott, Fabrizio said, "I wouldn't want to get into any political implications. These are merely commercial considerations."

The political implications are, however, unavoidable. According to data compiled by Leading National Advertisers, the ex-Israel edition of *Time* is principally a vehicle for Japanese companies with histories of capitulating to the Arab boycott. The largest buyer of space in the edition is Toyota, Japan's largest auto manufacturer. Toyota has long bent over backward to accommodate the boycott. In 1981, according to Aaron Sarna's 1986 book *Boycott and Blacklist*, the company abandoned plans for a joint venture with Ford after warnings from Saudi Arabia, Iraq, and Bahrain that Toyota's imports would be banned if the deal went ahead. (Ford is a blacklisted company.) In 1989 Toyota spent $890,000 to purchase thirty-three pages in *Time*'s ex-Israel edition. Even Toyota's South African division, itself subject to a legitimate international boycott, bought space in the boycott edition of *Time*, rather than the regular European edition.

Other Japanese giants have followed Toyota's lead. Brother, Hitachi, Matsushita (which owns Panasonic), Minolta, Nissan, and Olympus all advertise exclusively in *Time*'s ex-Israel edition. *Time*'s rate card lists three special advertising sections planned for the edition this year: "Japan Autos," "Autos for all tastes," and "Global Connections." They include advertorial supplements pitched at Japanese automakers. Thanks in part to

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Time's promotion of these special sections, Japanese companies are using the boycott edition more and more. In 1987, 71 percent of Japanese advertising in *Time*'s Atlantic editions went to the standard European edition. So far in 1990, 71 percent of it has been in *Time*'s ex-Israel edition.

Time's ex-Israel edition also carries ads from a number of Arab concerns: the Dubai and Abu Dhabi airport duty-free shops, Kuwait Airways Corporation, Saudi Arabian Airlines, and Egypt Air Lines—despite the fact that Egypt agreed to cease obeying boycott restrictions under the Camp David accords. A small number of European enterprises use it as well: Austrian Airlines, BMW motorcycles, Benetton, and Matra of France, a defense and electronics conglomerate with substantial trade in the Arab world.

But *Time* and *Newsweek* have the Japanese to thank for the growing success of their boycott editions. *Time* sold thirty-seven ex-Israel pages for $1.1 million in 1987, seventy-four pages for $2 million in 1988, 132 pages for $3.3 million in 1989, and eighty-three pages for $2.3 million in the first half of 1990 alone. This year 20 percent of *Time*'s European ad sales were for its ex-Israel edition. The increased revenue is almost all Japanese. Last year *Newsweek* sold forty-five pages of advertising space for nearly a million dollars in its ex-Israel edition. Though *Newsweek* refused a request for information about the companies that have purchased space in its ex-Israel edition, it seems safe to assume that as in the case of *Time*, most of them are Japanese.

Arab boycott specialists I spoke to were surprised to learn of the existence of the newsmagazines' ex-Israel editions. "I can't see any legitimate reason for an advertiser to say he doesn't want his ad to be looked at in Israel," said Will Maslow, special counsel to the American Jewish Congress and editor of the American Jewish Congress's monthly *Boycott Report*. "This really caters to the most stupid kind of prejudice."

"At minimum it would seem to run afoul of the spirit of the law," said Jess Hordes, Washington director of the Anti-Defamation League of B'nai B'rith. Hordes notes that advertising in Israel does not directly contravene Arab boycott rules. In using the boycott editions, the Japanese are going out of their way to submit to the whims of their Arab trading partners. "There is a herd mentality and a degree of intimidation that has characterized Japanese corporations' response to the Arab boycott," Hordes said. "This is apparently a reflection of that."

A Commerce Department official agreed with this interpretation, noting that Japanese companies often act "in response to a very generalized conception of what the Arabs might want." Unless Japanese companies ask *Time* and *Newsweek* to keep their advertisements out of Israel in response to specific requests from Arab states, the magazines technically haven't broken U.S. law. But in their yen for profits, *Time* and *Newsweek* are showing no more scruples than the Japanese. •

Why Saddam finds the Kurds hard to swallow.

IRAQI INDIGESTION

By Robert D. Kaplan

According to the map, I was in Iraq. Yet I could drive for nearly two hours in several directions without seeing Saddam Hussein's picture, and talk without fear about Israel. This was Iraqi Kurdistan in the north of the country, and my guerrilla hosts had not sought Hussein's approval for their nest of bases and anti-aircraft guns. The approval came from Jalal Talebani, the leader of another Kurdish guerrilla faction, who controlled the area. Here Iraqi soldiers are referred to as the *josh*, a Kurdish word meaning "sons of donkeys." Two years later, in 1988, Hussein finally gained control over this area. But it required poison gas. Even so, Hussein may have less power over his Kurdish population than the leaders of Syria, Iran, Turkey, and the Soviet Union have over theirs.

Iraq is an Arabic word meaning "well-rooted," but Iraq's roots as a nation—demonstrated by Hussein's difficulties with the Kurds—are few and shallow. In fact, the country is little more than an ad hoc jumble of British imperial designs, and it has required a series of pathological killers to keep it from fracturing into several pieces. The most indigestible of these pieces is in the north, occupied by the Kurds, a non-Arab, Indo-European race for whom the very notion of Iraq is a cruel historical joke. The British, aware that vast oil deposits lay beneath the mountains of what was then the Ottoman-Turkish province of Mosul, in the southern part of Kurdistan, illegally occupied the area four days after their October 30, 1918, armistice with the Turks. The Turks bitterly protested, but Ottoman Turkey was a defeated wreck of a nation, and was unable to do anything. In the 1920 Treaty of Sèvres the British and the other Western allies carved a Kurdish homeland out of the carcass of eastern Turkey, including the oil-rich Mosul region, which the Kurds had demographically dominated for millennia.

But in 1921 the Turks, led by Mustafa Kemal (later Atatürk, "Father Turk"), defeated the Greek army in Anatolia as part of an unexpected national resurgence, giving Kemal the leverage to demand the treaty's revision. The British then gave up the idea of a pro-British Kurdistan and concentrated just on keeping oil-rich Mosul. Their new plan was to attach the Kurdish-inhabited Mosul area to two other former Turkish provinces—Sunni Baghdad in northern Mesopotamia and Shiite Basra in southern Mesopotamia—thus creating a wealthy and strategically located protectorate

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on the Gulf to buttress imperial India.

In 1925, under British pressure, a League of Nations commission concluded that the province of Mosul should be incorporated into a new British protectorate called Iraq, provided the Kurds were given local autonomy and Kurdish made the official language. Kemal, determined to wrench Turkey from its Oriental Ottoman past, was hell-bent to set his country on a course that was pro-Western—which meant pro-British. Thus he finally agreed to give up the Mosul territory and all of its oil for a mere £500,000. Many Turks consider this among Kemal's most unfortunate decisions; they have never accepted this oil-rich, non-Arab region as part of an Arab state, and a radical one at that. Meanwhile, the promises made to the Kurds were broken, and neither the British nor the Arab regimes that followed in Baghdad were able to subdue the northern quarter of the country. By the mid-1980s Baghdad's military influence over the Kurds had so weakened that Hussein was forced to allow the Turkish air force into Iraqi air space to help him patrol northern Iraq.

Now right-wing Turkish newspapers are calling for the restoration of northern Iraq to Turkish sovereignty as a reward for Turkey's participation in the Gulf war. When Turkey's president, Turgu Ozal, visits Washington on September 24, Turkey's supporters in the United States may lend their weight to such demands, which should be rejected out of hand. The enmity between the Turks and the Kurds is as strong as between the Arabs and the Kurds, and a Kurdistan under Turkish occupation would be just as rebellious and destabilizing for Turkey as it has been for Iraq.

Of all the Middle East's artificial regimes, none has failed so miserably in building legitimacy for itself as those of Iraq. Attempts to hold together a multiethnic, postcolonial hodgepodge have led only to policies of fear, fortified by absolute terror. In the July 1958 coup in Iraq, which overthrew the pro-British Hashemite dynasty, the royal family was machine-gunned in the palace courtyard and the bodies of government ministers publicly mutilated. The Kurds, a warlike mountain people, saw this coup, as they would all the others to follow, as a chance to assert their independence. The new Sunni Arab ruler, Colonel Abdul Karim Kassem, unable to subdue the Kurds through negotiation, used his air force to destroy 1,270 Kurdish villages in 1961. Even that did not suppress the Kurdish rebellion. Sensing weakness, a group of Baathist army officers led by Abdul Salem Aref toppled and executed Kassem in 1963. The young Baathists—of whom Hussein, then twenty-six, was one—"roamed the major cities of Iraq unleashing orgies of vengeance," according to Stephen C. Pelletiere in *The Kurds*. In Kirkuk, on June 13, 1963, a Baathist tank unit covered its assault on a Kurdish suburb with a human shield of Kurdish women and children. For an idea of what the Iraqis are now capable of, keep in mind that when the Kurds outsmarted this Baathist tank unit by firing at it from the rear, the tanks ran down the women and children.

In 1964 Aref purged the same Baathists who brought him to power. Four years later the Baathists, ostensibly led by Hassan al-Bakr, overthrew and killed Aref. But al-Bakr was never the real strongman: that position belonged to his internal security chief, Saddam Hussein At-Takriti, a Sunni peasant from the village of Takrit, north of Baghdad. Saddam quickly uncovered a "CIA-Zionist plot," which led to the public execution of about two dozen people, among them ten Iraqi Jews. Iraqi militiamen were then made to march past the victims' bodies. As early as 1971 Hussein told a British journalist that "with our party methods, there is no chance for anyone" to overthrow us. The Kurds are a case in point. They were a factor behind every coup in Iraqi history, which is why Hussein resorted to mass murder to snuff out their threat.

Michael C. Hudson deciphers the cause of this savagery, in *Arab Politics: The Search for Legitimacy*, when he labels Iraq "one of the most fragmented" polities "in the Arab world, if not in the entire Third World." Iraq is a border region where the national aspirations of various ethnic groups overlap and collide. The irreconcilable differences between Kurdish, Sunni Arab, and Shiite nationalism, on top of the natural volatility and dynamism of the military and Baath party elite—products of the most urbanized society in the Arab world—have made Iraq virtually ungovernable without horrific methods of repression. As the British Arabist Freya Stark points out, "While Egypt lies parallel and peaceful to the routes of human traffic," Iraq is an unstable "frontier province [between the Arab world and Persia], right-angled and obnoxious to the predestined paths of man."

Iraq certainly appears unworkable, except as a loose confederation of autonomous provinces. Hudson calls it "the archetypical overloaded political system," an academic phrase I like because it intuits the heavy air of oppression and the paranoia that seize a visitor in Baghdad. For a decade Hussein used the war with Iran to preserve Iraq's internal equilibrium: by allowing the enemy to bomb Shiite areas of Iraq with virtual impunity, Hussein effectively neutralized the appeal of revolutionary Iran to Iraqi Shiites, who outnumber his ruling Sunnis. But Iraq at peace is an unstable element. One reason Hussein has remained in power so long is because he has kept the country at war. His invasion of Kuwait could almost be seen as the ultimate, albeit perverse, result of Iraq's own legitimacy crisis.

Should a new military conflict now shatter the old borders of the Middle East, it is likely that Iraq itself will provide the point of fissure, rather than Jordan or the Gulf states, whose demise it has become fashionable to predict. And the morning after could abound with shouts of "Kurdistan." If modern Iraqi history teaches us anything, it is that the moment central authority dissolves, the Kurds are the first to revolt. The solution, therefore, lies not in an enlarged, oil-rich Turkey, but in a small new nation, just like all the others now emerging in Eastern Europe and elsewhere.

ROBERT D. KAPLAN's latest book is *Soldiers of God: With the Mujahidin in Afghanistan* (Houghton Mifflin).

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THE GREAT BANKS ROBBERY

By James K. Glassman

Vernon, Texas (pop. 12,000), is an oil and cotton center near the Oklahoma border. The hometown S&L, Vernon Savings and Loan, was started in 1960 by R. B. Tanner, a tough old bird who had been a bank examiner during the Depression and knew the importance of making loans to borrowers who would actually repay them. He built Vernon slowly and carefully, and by the end of 1981 his S&L, though fairly small, was probably the soundest in the country, with $82 million in assets and just $90,000 in overdue loans.

As Tanner was building his little thrift, another native of Vernon, a hustler named Don Dixon, was getting rich building Spanish-style houses with signature red tile roofs all over the Dallas suburbs, all the while griping about how lenders kept borrowers like him on a short leash. Dixon decided he too wanted to be a lender, especially after Congress passed a law allowing S&Ls to put loads of high-risk real estate development loans on their books. In 1982 Dixon (who, with his beard, gold chains, and shirt open to the navel, looked a lot like the country singer Kenny Rogers) talked Tanner, then sixty-five, into selling him Vernon Savings and Loan. As James Ring Adams describes it in *The Big Fix*, at the first board meeting after the deal, Dixon asked his directors, including Tanner, to approve the purchase of a $125,000 three-foot-tall bronze sculpture of a squatting Indian for his office. Tanner realized Dixon was not his kind of banker and resigned from the board.

Over the next five years Dixon took in hundreds of millions of dollars in deposits, guaranteed by the Federal Savings and Loan Insurance Corporation (FSLIC), and used the money to make horrendous loans. Under Tanner, Vernon had only 0.1 percent of its loans in default. Federal regulators worry seriously when the proportion reaches 4 percent, and 10 percent generally means insolvency. When Vernon closed its doors on March 20, 1987, some 96 percent of its loans had gone bad. Worse, the S&L had $1.6 billion in assets, so FSLIC had a huge clean-up on its hands. A month later the government filed a civil racketeering suit against Dixon and thirteen of the S&L's officers, claiming they had looted Vernon of more than half a billion dollars. The suit said, among other things, that they had made loans of up to $90 million each to friends without "any reasonable basis for concluding the loans were collectible." In return for booking these bad loans, the S&L's officers were paid more than $22 million in bonuses over four years (Dixon himself got $4.5 million of that), plus $4 million in salary.

Dixon had his wife, her sister, and his stepdaughter on the payroll. According to lawsuits filed by the federal government, Vernon S&L bought a $2 million beach house for Dixon's use in Del Mar, California, and provided another $200,000 to furnish it. Dixon had a fleet of six aircraft at his disposal. During one eighteen-month period he billed Vernon for $561,874 in personal living expenses, including $36,780 for flowers, $37,339 for phone calls, $4,420 for pool service, $386 for pet services, and $44,095 for out-of-pocket incidentals. The Dixons built another house in Rancho Santa Fe, California, and flew to London to consult an interior decorator and buy $489,000 in furnishings.

For his walls, Dixon bought $5.5 million in Western art, also courtesy of the S&L. And since Dixon was a car buff, Vernon set up a subsidiary in La Jolla, California, to sell Ferraris and Rolls Royces. At a 1988 bankruptcy hearing Dixon pleaded that he should be able to keep his personal Vernon-financed car because it had four doors and served as "the family Ferrari." But the peak of Dixonian indulgence was something Don's wife, Dana, called "Gastronomique Fantastique," a two-week tour the Dixons and their friends took in October 1983 of the best restaurants of France, paid for by Vernon Savings and Loan. In a document found by regulators, Dana assiduously recorded the details of every meal. They dined at seven restaurants rated three stars by the *Guide Michelin*, supping on pressed duck, truffle soup, and minced kidneys. "It was truly a dream trip," she wrote, "hardly to be imagined by most, and barely to be believed even by those of us who experienced it first hand . . . a flying house party . . . of pure unadulterated pleasure."

The excesses at Vernon—the risky loans to developer-cronies, the nepotism, and the truffle soup—provide a perfect metaphor for the savings and loan crisis. How did we get here? Through a combination of deregulation, shortsighted home-district politics, changing cultural values, macroeconomics, and the deposit-insurance system. About the first four sources of the crisis, there's not much we can do, but eliminating, or sharply curtailing, deposit insurance is a smart solution.

Usually when businesses do what Vernon and other

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S&Ls did, they go broke, bankrupting their owners and leaving suppliers, bank creditors, and sometimes the IRS holding the bag. But the bulk of an S&L's creditors are its depositors, the people who lent their money to it for safekeeping. When it goes broke the depositors aren't left holding the bag because, ever since 1932, the federal government has guaranteed that if an insured S&L can't pay a depositor back, FSLIC (meaning, in effect, the U.S. Treasury) will. So after five years of high living and wild lending at Vernon, FSLIC had to commit $1.3 billion to pay off depositors—more than 200 times what Dixon paid R. B. Tanner to buy the thrift.

Vernon was not an aberration. In the early 1980s developers like Dixon and Charles Keating Jr., men without the slightest bankerly inclination, bought small S&Ls and pumped them up with thousands of government-guaranteed deposits in $100,000 increments. The S&Ls acquired the deposits not from local savers but from rich investors, who shopped the nation for the highest interest rates. Brokers had no need to find well-run S&Ls as havens for their clients' cash, since FSLIC guaranteed all deposits, even in miserable thrifts like Vernon.

Brokered deposits were a grotesque distortion of the original purpose of deposit insurance. In 1932, when FSLIC and the Federal Deposit Insurance Corporation (FDIC) were established, the idea was to encourage small savers to get their cash out from under the mattress and into S&Ls and banks, where the money could be used to invest in homes and businesses. Deposit insurance made sense then because banks were failing at a rapid clip, and runs were common. The guarantees were tailored to the little guy: the limit on insurance was $2,500 per deposit. And S&Ls, in return for using nearly all of their deposits to provide mortgage loans to homebuyers, were allowed to pay slightly higher rates on their deposits than banks.

But in general S&Ls and banks struck the same deal with the feds fifty-eight years ago: the government would insure depositors against loss, and S&Ls and banks would agree to keep enough capital (that is, enough of their own money) in the vaults as a buffer against bad loans and hard times. At the time Franklin D. Roosevelt and the American Bankers Association, among others, anticipated a fundamental problem posed by deposit insurance: it gave savers no incentive to put their money in a sound S&L or bank. In fact, in most cases, depositors are better off choosing a bad S&L—since bad S&Ls, more desperate for funds, usually pay higher interest rates on deposits. In theory, government regulators could put S&Ls and banks out of business if the regulators felt that their loan losses were cutting too deeply into capital reserves, or if they behaved so recklessly that their capital was apt to disappear in the future. Thanks to the niceties of S&L and bank accounting practices, however, a good deal of subjectivity entered into the regulators' decisions. In many cases, it's difficult to say exactly when a loan goes bad.

In addition, powerful political forces mitigated the efforts of regulators blowing the whistle. This country has the most decentralized banking system in the world—more than 16,000 separate institutions, most of which tend to be very influential within their own communities. Members of Congress believe they must pay attention to the needs of the fellow who runs the hometown S&L, who, if he isn't a big contributor, is at least a big local employer and sustainer of small borrowers. So in the 1970s and early 1980s, when S&Ls got into trouble as a result of macroeconomic forces (not, at that point, because of reckless lending or big spending of the Dixonian sort), instead of letting the thrifts with the worst problems fail, Congress and the administration decided to change the rules. Congress was looking out for the interests of powerful home-district S&Ls while the Reaganites were following their deregulation agenda.

The theme of the new deregulatory laws, passed in 1980 and 1982, was that S&Ls should be allowed to grow their way back to health by making new, far riskier investments—like land-acquisition and construction loans to commercial real estate developers, junk bonds, and Ferrari dealerships. As a result, instead of a few dozen badly managed, or unlucky, thrifts going out of business at a cost to the taxpayers of $20 billion or $30 billion, we're now faced with more than 1,000 failing at a cost ten to twenty times as high.

But the S&L mess is also the result of a major cultural event: the disappearance in American life of the stigma against borrowing. In the 1980s, the go-go years of Reaganism, debt continued to create anxiety, but not in the old way. You no longer worried about whether you could pay back the loan, but whether you had borrowed enough to enjoy the good things in life before it was too late (meaning before someone cut off your line of credit). Debt allowed new heroes like Donald Trump, Ron Perelman, and Carl Icahn to acquire great American institutions, icons like the Plaza Hotel, Revlon, and TWA. The more speculative the venture, the more alluring. Few borrowers had experienced the Great Depression, and they vaguely sensed that, whatever happened, they would be bailed out like Chrysler and Lockheed. No one went flat broke in America, at least no one who started with something. Borrowing was where the tax deductions were, and it would let you buy a house in Mamaroneck for $3,000 a month or a BMW for $600.

Swept up in a competitive frenzy, bankers, who used to hem and haw while supplicants knelt to ask for money, started stuffing the dough into the pockets of anyone who would take it. In the past there was a dynamic at work in which lenders, in their reluctance to lend, would transfer a burden of guilt to borrowers: "Here's the money, my friend. But make sure you return it in the condition you received it." The dynamic disappeared when the lenders made it clear that the borrowers were doing them a favor: "Please," said a piece of junk mail I received a few years ago, "accept this line of credit, up to $10,000, to use as you wish." They didn't even seem to care if you gave it back. The great old white-shoe banker, George Moore, former chairman of Citibank, wrote in his memoirs: "If you let the credit men, the analysts, run the bank, you won't have any customers; if

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you let the salesmen run the bank, you go bankrupt." In the '80s, S&Ls let the salesmen run the bank.

The roots of this cultural change go deep. In the boom years after World War II the thrift business had been an easy game. You took in deposits at between 4 and 5 percent, thanks to interest ceilings, and lent it out at between 6 and 8 percent. Then, in the late '60s and '70s, several events conspired to raise banks' borrowing costs. The first was the Vietnam War (plus the War on Poverty), which Presidents Johnson and Nixon decided to finance with government bonds instead of taxes. With the government a more prominent issuer of debt, interest rates rose, as they always do when the competition for investors' funds increases. Then, after the Arab oil embargo of 1973, there was inflation. Saving became a game for suckers. If you put your money in a passbook account, you'd earn 5 percent; with inflation running 10 percent, the value of your principal was being whittled away. So Americans started taking money out of banks and spending it—buying things before their prices rose some more, in the process pushing inflation even higher.

Then it got worse. Some depositors were taking their money out of S&Ls and banks and putting it into investments, like money market funds (invented in 1972), that earned higher rates of return. Finally, in 1980, with the strong backing of the White House, Congress passed the Depository Institutions Deregulatory Act, based on the noble sentiment that "all depositors, and particularly those with modest savings, are entitled to receive a market return on their savings." In fact, the purpose of the law was to stop banks and thrifts from bleeding to death. It raised the limit on federal insurance from $40,000 to $100,000 per account (the figure had been as low as $10,000 as recently as 1950), and it phased out interest-rate ceilings over a six-year period, ending in 1986. Banks and S&Ls now could offer higher interest to depositors and get the money to keep operating, but the cost of deposits—the cost of a bank's own borrowing—soared. In the mid-'70s, it was not unusual for a bank to pay no interest at all on most of its deposits. The S&Ls, by tradition, had been lending long (thirty-year home mortgages) and borrowing short (passbook savings accounts, which could be withdrawn on short notice). In 1981, most S&Ls were suffering "negative spreads" on their mortgages, not even counting overhead costs. So, as the old joke goes, they tried to make it up on volume.

Having solved the liquidity crisis (thrifts running out of money), Congress was faced with a profitability crisis (thrifts stuck with long-term loans that weren't paying enough interest to cover the cost of short-term deposits). Again, the proper response would have been to let the regulators shut down S&Ls whose capital was depleted; the insurance bill would have been fairly low, and a stronger generation of thrifts would have emerged.

Instead Congress, again with the strong support of the White House, decided to let S&Ls go into entirely new businesses: instead of forcing them to make loans only to people buying homes, let them lend to developers with big dreams. Or let them use their deposits to buy assets that get even better returns than conventional loans, like Michael Milken's junk bonds or what regulators euphemistically called "direct investments" (equity interests in hotels and shopping centers). In 1982, in the face of 250 S&L failures, Congress passed a bill sponsored by Senator Jake Garn, a Utah Republican who then headed the Senate Banking Committee, and Representative Fernand St Germain, a Rhode Island Democrat who chaired the House Banking Committee. The Garn-St Germain bill had such overwhelming support that it was approved without a recorded vote. It liberated the thrifts and then murdered them.

Most of the executioners showed up promptly after the bill sailed through. Like Don Dixon, they were wheeler-dealer real estate operators, who saw S&Ls as a source of unlimited funds (those guaranteed deposits) for their own ventures and those of their pals. Real estate was hot at the time, thanks to tax-law changes that allowed owners to depreciate their properties quickly, generating big upfront tax losses. Only circumspect lenders stood in the way of enormous profits, so, the developer figured, why shouldn't I become a lender myself? Regulators say there is a pattern among failed thrifts: a change of ownership between 1982 and 1984 (with the buyer often a developer or someone fronting for a developer) and spectacularly fast growth in assets—mostly real estate loans supported by lots of $100,000 brokered deposits.

With the hustlers coming out of the woodwork, many of the smart old-line bankers figured that this was a terrific opportunity to bail out of what they correctly saw as an increasingly difficult business. Thus in 1983 Don Crocker sold his California thrift, the small and mildly profitable Lincoln Savings and Loan, to Charles Keating, an Arizona homebuilder with a shady past. With help from Milken and his crew from the Beverly Hills office of Drexel Burnham Lambert, Keating bought Lincoln for $51 million, an astronomical price, nearly twice the thrift's net worth and three times what Lincoln's stock was fetching on the open market. To Keating it seemed worth it. He saw Lincoln as the perfect vehicle to enhance his personal wealth and prestige—and for a time, he was right.

Like Dixon, Keating pumped up his S&L using brokered money. In five years it grew sixfold, to $5.5 billion in deposits. And Lincoln pulled out of the traditional business of S&Ls almost entirely. Lending to homebuyers represented less than 2 percent of Lincoln's business. Meanwhile investments in junk bonds—high-interest debt issued by corporations, usually in conjunction with a leveraged buyout—went from zero to $779 million. As usual, Milken benefited from the leverage: he helped Keating buy a $51 million thrift and then sold him junk bonds costing fifteen times the purchase price, thus reaping huge fees. Milken would repeat this little trick several times with other S&Ls, and they too would find when the debt bubble burst in 1989 that junk bonds were not particularly profitable.

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Thanks to Garn-St Germain, Keating and Milken and dozens of other operators were able to give a whole new meaning to thrifts. They became a way to help corporate raiders buy established companies, for speculators to build monuments to themselves (like Keating's Phoenician resort, probably the most spectacular hotel bust of all time), and for new thrift operators to get rich using other people's money. Keating, for example, hired his son as a senior officer at the age of twenty-six, a meteoric rise from busboy and waiter at a country club.

Keating, Dixon, and other S&L operators understood the importance of political connections. Stephen Pizzo, Mary Fricker, and Paul Muolo point out in *Inside Job* that Dixon had a yacht, the 112-foot *High Spirits*, which was anchored on the Potomac and used by House Majority Whip Tony Coelho for eleven fund-raising parties for the Democratic Congressional Campaign Committee in 1985 and 1986. The cost to the DCCC for those parties was zero; cost to Vernon S&L, $48,450. (After bank examiners discovered the set-up, the DCCC dutifully repaid Vernon.)

In late 1986 regulators finally understood what was happening at Vernon (which they affectionately called "Vermin"), declared its loans in default, and pegged its net worth at minus $350 million. As John Barry describes it in *The Ambition and the Power*, with time running out, Dixon turned to Coelho, who in turn contacted Majority Leader Jim Wright, who in another week would become Speaker of the House. Dixon told Wright that the regulators were trying to put him out of business immediately, but if he had a week or so he could work out a sale. Over Christmas Wright called Edwin Gray, the chairman of the Federal Home Loan Bank Board and the chief S&L regulator, and told him, "Ed, I don't know anything about Vernon Savings and Loan or Don Dixon. . . . But he tells me he's got a buyer and needs one week to dispose of his business himself, and he says regulators want to close him down today. I wonder if you could look into it." The Speaker's intervention was too late. Regulators put Dixon out of business the very day of the phone call.

Keating's variation on the theme has received broader notice. He tried to keep regulators off his back by orchestrating donations to the campaign treasuries and political committees of twenty-four members of Congress, including five senators—Republican John McCain of Arizona and Democrats Alan Cranston of California, Dennis DeConcini of Arizona, John Glenn of Ohio, and Don Riegle of Michigan, the chairman of the Senate Banking Committee. The five put pressure on Gray and other top officials to keep Lincoln open in 1987, and it was not until 1989 that a regulator discovered that its net worth was minus $948 million and getting worse. It will cost at least $2 billion to clean up the mess, and the U.S. and California eventually filed civil and criminal charges against Keating and his associates. The Keating Five are currently being investigated by the Senate Ethics Committee.

But it wasn't their relationship with politicians that helped Keating, Dixon, and other S&L owners elude regulators; it was the nature of bank accounting, coupled with that inexhaustible supply of brokered, insured deposits. Many of the S&Ls that crashed used these two clever techniques: 1. Capitalized interest. A developer comes to an S&L with an idea for a speculative venture that will cost, say, $50 million. The S&L lends him the $50 million, plus legal and other "soft costs" (another $2 million or so), plus four "points" (the S&L's own fee for setting up the loan), plus interest at, for example, 14 percent for two years ($14 million). That comes to $68 million, up front. (Imagine buying your house with a loan from the bank covering 100 percent of the principal, all the closing costs, and interest for two years.) The S&L, under accounting rules, can book the points as profit for itself immediately, and it can book the interest at a rate of $7 million a year. So in the first year the S&L records $9 million in income, even though none of the $9 million came from the developer. It all came from the S&L itself. You can see where this sort of thing can lead—a $68 million loan for a $50 million project (and usually a risky one, at that) can go bad in a hurry. But since the developer doesn't have to pay interest out of his pocket for two years, the regulators can't tell whether the loan is in default until it's far too late. Even then, S&Ls would hide such loans by selling them to each other at inflated prices in a daisy-chain network.

2. Land flips. The idea here, perfected by Empire Savings and Loan Association of Mesquite, Texas, was to buy and sell vacant land, with the help of sleazy cohorts, sometimes turning the property over several times a day at higher and higher prices. The value of the land, on paper, would soar, and with the help of other S&Ls that were in on the deal and of compliant and negligent private appraisers, the property could end up trading hands for ten times its original price. (The Government Operations Committee cited one example in which a 3.6-acre piece of land was bought for $156,816 and eventually sold three months later for $1,724,976 with a loan from Empire of $1,879,250.) Doing the lending along the way, Empire would pick up points, between 6 and 18 percent of the purchase price, and book them as profit. The money for buying the land came from brokered deposits; eventually 85 percent of Empire's deposits, which grew from $17 million in 1982 to $309 million in 1984, came through brokers. The flips also inflated the asset side of Empire's balance sheet, making it the fastest-growing S&L in America.

The loans usually matured in six months to a year. Then Empire would come in with a construction loan that would repay the previous debt and cover closing costs, building costs, fees for the S&L, interest, and even the expenses in promoting the condos that would eventually (maybe) be built on the land. After two years of glory, Empire was shut down in 1984 at an ultimate cost to FSLIC of $163.8 million, at the time the biggest payoff in the insurance agency's fifty-year history. It would later seem a pittance.

It's important to understand that the money that Empire and the other go-go S&Ls lent out did not disappear

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off the face of the earth. It went to developers, who rented bulldozers and bought sheetrock and Porsches, and eventually went broke. The money helped fuel a boom in the West at a time when oil prices were falling. The problem today is that the money is already spent. The developers can't pay back the S&Ls, and the S&Ls can't pay back the savers, so the federal government has to step in. The government has been loath to do so, for two reasons: first, it means shutting down S&Ls owned by politically connected people, and, second, it means shelling out a lot of cash, which the government doesn't have.

In February 1986 the General Accounting Office estimated that FSLIC needed $22.5 billion in new capital so that it could shut down failing thrifts and pay their depositors. The administration asked for $15 billion, with the money coming from S&L insurance premiums rather than tax dollars. But the bill was held up in Congress for months, by Wright and others. The bill returned in the spring of 1987, and again House members opposed it. Finally, on July 29, 1987, a year and a half after the GAO report, Congress passed a compromise, giving FSLIC $10.8 billion—far too little, far too late.

So the next year FSLIC came up with a new solution: to "sell" failing thrifts to rich buyers for practically no money; to give these buyers, including billionaires like Ron Perelman and Robert Bass, big tax breaks; and then to guarantee their S&Ls against losses down the road (using money that FSLIC figured Congress would appropriate after the presidential election). FSLIC and the Federal Home Loan Bank Board, which regulates S&Ls, desperate to unload the thrifts, started making quick and dirty deals. These deals either went sour, leaving the taxpayer to clean up the mess, or ended up making their new owners millions. (See "Everything Must Go," TNR, October 10, 1988.) For an investment of $171 million, for example, Perelman earned more than $250 million in tax benefits and profits the first year. Just last month a congressional review found that the sale of 100 of these thrifts in 1988 will cost the taxpayers $71 billion.

By 1989 all of these scams and dilatory tactics had run their course, and Congress had to accept the task of putting up cash to shut down S&Ls and pay off deposits. But calling on taxpayers to foot the bill directly would cause political problems, so the Treasury floated thirty- and-forty-year bonds to raise the first chunk of bailout money. The main effect of these bonds—and the ones that will certainly follow—has been to increase competition for the limited funds of investors and thus raise interest rates for all of us. Forget all that talk of a $2,500 bill coming to each taxpayer for his or her share of the S&L bailout. The cost is more insidious, showing up in mortgage rates and interest on installment loans and increased costs for businesses that want to expand.

There's a second effect: throughout most of the '80s S&Ls did spread cash around, especially to commercial real estate developers. As a result, the centers of many American cities became overbuilt with office towers and the suburbs overbuilt with garden apartments and condos. This overbuilding has contributed to our current real estate slump and to severe losses for more traditional commercial lenders, the banks. The banks, in turn, have tightened up their lending policies, partly because their capital is being depleted by bad loans and partly because they fear the wrath of regulators who don't want to be blamed for another S&L disaster. So now, even good credit risks can't get loans, slowing down business in general and creating, at best, regional recessions.

There's certainly enough blame to go around in the S&L scandal: to Congress, for writing new laws, pressuring regulators, and starving FSLIC to keep insolvent thrifts alive; to the White House, for mindlessly pushing deregulation on an industry that wasn't ready for it and for doing its best to hold down the number of bank examiners; to the greedy, shortsighted industry itself; and, of course, to S&L operators, many of whom will be spending their retirement years in prison. But the culprit that's most productive to address is the policy of insuring deposits in S&Ls with the full faith and credit of the federal government.

The government simply can't continue to insure every account in each of this country's banks and S&Ls. It doesn't have the money. In fact, the great untold scandal is that ever since the failure of Continental Illinois Bank in 1982, federal insurance has covered *all* accounts—even those greater than $100,000. Today such deposits total $3 trillion, and the FDIC (which, in the 1989 S&L reform bill, swallowed up FSLIC) has assets totaling no more than one-half of 1 percent of that amount. What needs to be done immediately is to abandon the current policy and replace it with a limited insurance system. Federal deposit insurance should cover no more than, say, $50,000 per depositor—instead of $100,000 per account. I consider that an intermediate step on the way to phasing out deposit insurance altogether within two years. If small savers want total protection, they should put their money in U.S. Treasury securities, or into money market funds that invest only in federal bonds. The latter is a very simple alternative that didn't exist when FSLIC was founded. (See "When Hell Sleazes Over," TNR, March 20, 1989.)

Without federal insurance, depositors would demand that a reckless S&L pay them very high interest rates, or they would refuse to deposit their funds there. It's true that most people today aren't able to judge whether an S&L "deserves" their deposits, but they would learn very quickly, just as they've learned which cars are the safest and which stereo speakers produce the best sound. And consumers will have one obvious clue: an S&L that offers to pay high interest rates will almost always be a riskier bet for a depositor, just as a corporation that's forced to pay higher interest on its bonds is riskier. If there's still concern about the little guy, here's a simple solution: make deposit insurance a means-tested entitlement. It would be available only, for instance, to families whose income is less than $40,000 a year. Let the rich fend for themselves.

Finally, I am not advocating more deregulation. Fed-

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eral regulators should still play a role in assuring the stability of individual banks and S&Ls, in much the same way that the FDA and FTC stand watch over the quality of consumer products. We should retain strict capital requirements and toughen accounting rules. But deposit insurance, which gives reckless banks, in effect, a direct pipeline to the U.S. Treasury to meet their operating expenses, must go.

Although a limited-insurance system wouldn't prevent unscrupulous bankers from making bad loans, it would prevent them from using federally backed money to grow their way out of their problems. It would also end one of the more egregious examples of state capitalism's tendency to privatize profits and socialize losses. The frightening truth is that there is no more discipline over S&Ls today than there was at the start of the '80s. Congress and the White House have been too busy pointing fingers to find a solution, and Federal Reserve Board chairman Alan Greenspan says he's waiting for a report from the Treasury on deposit insurance. So far that report is eighteen months in the making, and I don't have high hopes for it.

Unfortunately deposit insurance is an idea with a lot of political force behind it. Liberal politicians like it because it has a generous, populist quality, and conservative apologists for financial interests like it because it has the effect of lowering the interest rates that banks and S&Ls have to pay on their deposits. And a specious argument left over from the panic years of the '30s continues to have appeal—the notion that without deposit insurance, there would be uncontrollable "runs" on banks. In fact, spontaneous mass withdrawals are a rarity. Consider, for instance, money-market funds; they're uninsured by the federal government, yet they've never been hit with runs. More frequently, when investors grow suspicious of the stability of a financial institution, they pull their money out slowly, over time. And even if a run does occur, the Fed can always open its "discount window" to the target of withdrawals, providing unlimited funds on an emergency basis, in the same way it stood by to help brokerage firms when the stock market plummeted in October 1987.

Abolishing deposit insurance is not a totally riskless solution to the S&L crisis, but it is the only step that will keep people like Don Dixon and Charles Keating out of the banking business. If the government continues to insure the deposits of poorly run institutions, allowing gamblers to double their debts at the roulette table, it will ensure something else: a financial disaster that will make this one look tame. •

It's a horrible life.

THE SENSITIVE SON

By Sidney Blumenthal

> "Was he, Thomas Buddenbrook, a man of action, a business man—or was he a finicking dreamer? Yes, that was the question . . . did Thomas Buddenbrook, like his father, stand firmly on his two feet, in face of this hard practicality of life? . . . He had lost a large sum of money in the affair—but that had not been the unbearable thing about it. For the first time in his career he had fully and personally experienced the ruthless brutality of business life and seen how all better, gentler, and kindlier sentiments creep away and hid themselves before the one raw, naked, dominating instinct of self-preservation."
>
> —Thomas Mann, *Buddenbrooks*

Perhaps only a global crisis could obscure the humiliating ordeal of Neil Bush, the president's son. His dealings and self-dealings as a member of the board of the collapsed Silverado Banking, Savings and Loan Association have done more than mark him as an ignominious failure in private business. His ambition to be the man with the right name in the right place at the right time has turned him into the most prominent figure in the largest financial scandal in American history. His predicament has prompted expressions of parental anguish in the White House and sent a wave of political anxiety rippling through the Republican Party. "As long as it's in the news, it's not a plus for us," Charles Black, the spokesman for the Republican National Committee, told me the week before Hussein seized the headlines.

Thomas Ashley, a Washington lobbyist who was a classmate of George Bush's at Yale, is collecting donations—"just from family and close friends"—for a Neil Bush defense fund. "This is tough going for Neil," says Ashley. "Financially, he's in a tenuous position. He's bearing a massive legal bill for the slightest possible, least possible, action brought against him. To defend it, it's going to cost him $250,000." But the psychological stress may be even worse: "Neil feels very, very keenly the effect of the adverse publicity on his family, Neil

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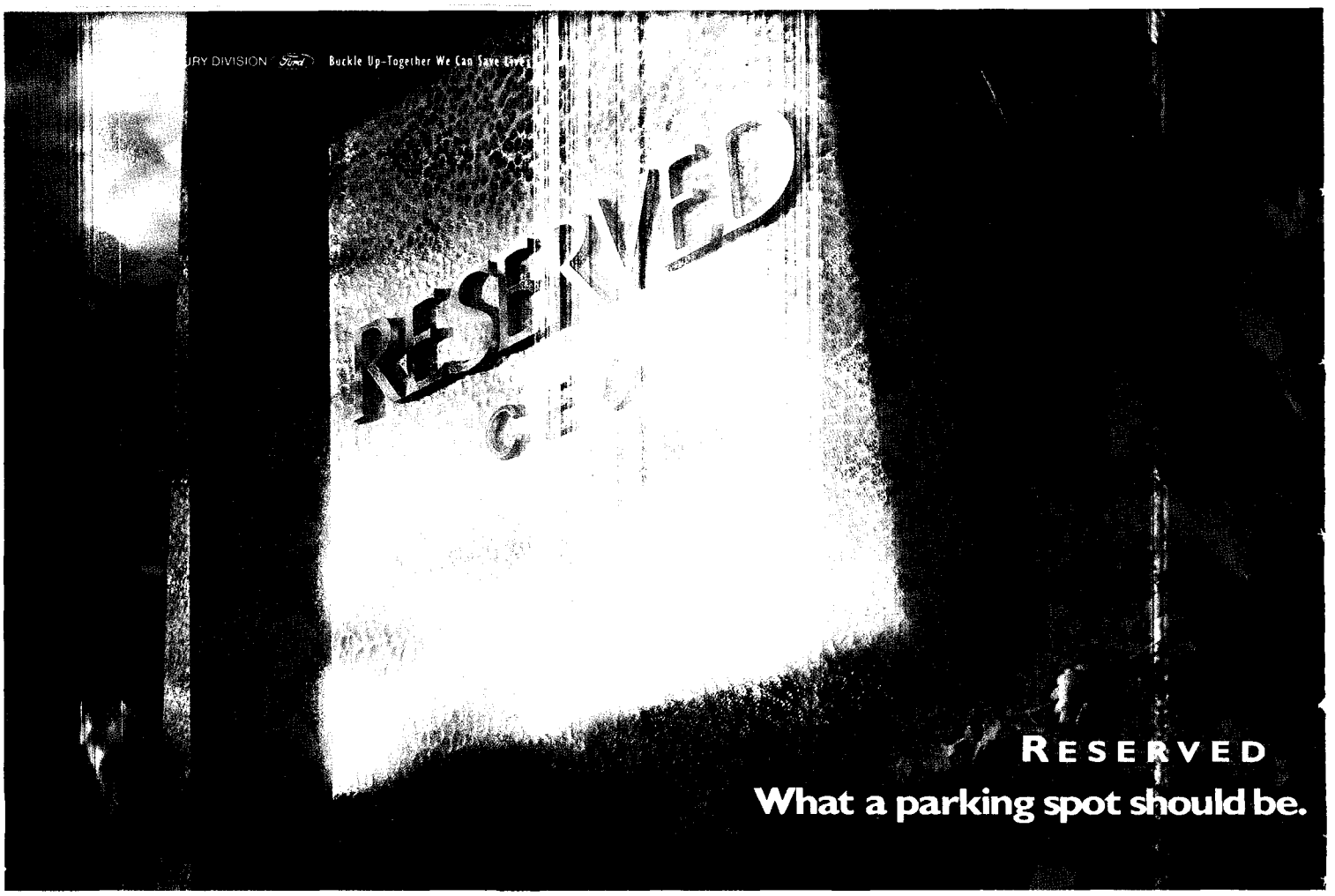

does. The president and Mrs. Bush are agonized for their boy."

Ever since the Office of Thrift Supervision initiated its investigations of the tangled affairs of Neil Bush, he has presented himself as the innocent. "I did nothing wrong," he pleaded to a reporter. The case against him is "insignificant," he informed *The Denver Post*, in a rambling, hour-long telephone call he placed on the night of his wedding anniversary. He is "a political football," kicked around by his father's enemies. "The regulators," he insisted, "are politically motivated." His innocence, he told another reporter, was proved by his willingness to sacrifice. "We lived month to month, begged for money from time to time," said this scion of the patriciate.

Sandy-haired and open-faced, Neil Bush looks and sounds guileless. In the interviews he gave (until public relations consultants close to his father advised him to stop), he seemed good-natured and somewhat confused about why the world was conspiring against him. He is invariably described by those who know him in Denver as "nice." If he is guilty of anything, according to his defenders, it is naïveté. He had no experience in banking; he was manipulated by sharp operators; he was left to face the charges alone. The scenario resembles *It's A Wonderful Life*, in which James Stewart is wrongfully blamed for mismanagement of a savings and loan. Stewart, playing a paragon of small-town decency, George Bailey, attempts to commit suicide but is rescued by a wise angel, who draws back the curtain on the ruin that would have come to Bedford Falls if Bailey had not lived and the greedy Mr. Potter had gained control instead. In the Neil Bush version, however, Bailey eagerly casts his lot with Mr. Potter. Neil embraced "sweet deal" after "sweet deal" with such boyish enthusiasm that it is difficult to separate his naïveté from his cynicism. He has been innocent, above all, of the idea that he might someday be held responsible for the consequences of his actions.

Neil Bush always tried to please his parents, but he was the least aggressive of the sons. After he took a battery of tests, the Bushes were informed by his teachers at the exclusive St. Albans in Washington that he suffered from dyslexia and might not go on to college. But he worked diligently, with considerable tutoring, and was accepted at Tulane—not an Ivy League university like those attended by his brothers, but a respectable school nonetheless. Neil, who made political science his major, is remembered by a classmate as a vociferous Republican partisan, especially "adamant about free enterprise rhetoric"—"well-mannered" but "argumentative." He appeared, says the classmate, "confident of his place in the food chain."

The year his father was elected vice president, Neil, newly married and holding an MBA from Tulane, moved to Denver—the "Wild West," he said later. At his wedding his brothers had serenaded him as "Mr. Perfect," the one who did what his parents wanted. By settling in

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a new city and trying to get rich, he was driven by a desire to emulate his father, living up to the ideal of making it on his own. Neil was the son of the man who, until he won the presidency, had always acted as the son. George Bush had worked to prove his worthiness to a series of dads: Prescott Bush, senior partner at the Brown Brothers, Harriman bank, and U.S. senator; Richard Nixon; Ronald Reagan. Poppy's puppy was attempting to grow up into the masterless dog he thought his father had always been.

According to the myth of George Bush—a myth that apparently took root within the family before it was projected to the country—the young heir gave up a life of clipping coupons on the Greenwich estate for a life of risk and struggle in the Texas oil fields. The details of the real George Bush story, however, do not add up to a frontier romance. The Yale graduate's career as a wildcatter was contingent on his family contacts on Wall Street. As a partner in the Zapata oil company, his principal role was to be the pipeline to the capital. His uncle, the investment banker G. Herbert Walker, raised more than $1.3 million to start up his venture, gathering contributions from the Rockefellers and Astors. The avuncular interest of Uncle Herbie (as George called him) eventually totaled more than $7 million. Zapata, incidentally, did not become a highly profitable firm until Bush left it to enter politics. For Neil Bush, the unheroic facts did not complicate his idea of his father in a way that would cause him to reflect on the adventure on which he was embarking; instead, the myth had an overbearing influence.

"The fact he's the president's son probably hasn't simplified his life," remarked George Bush earlier this year. Indeed, the givers to the Neil Bush defense fund ascribe his current tribulations to his lineage and claim that he is being scourged only for political advantage. But tracing the source of Neil's predicament to being the president's son is an insight that ultimately penetrates deeper than his guardians may mean. The sense of identity instilled within a distinguished family played itself out in a drama of miscalculated avarice, which has unfolded on the national stage as a crisis in the economy and politics. In his strivings, Neil, by all accounts, was encouraged by his parents, never cautioned or admonished. And in his paradoxical effort to establish his independence by means of dependence on the family tie, Neil followed his father's example.

The wealth of Denver has been built on extracting riches from the ground: silver, gold, uranium, and oil. In the early 1980s an explosion in the price of oil triggered an enormous real estate boom. Every oilman wanted a grand view of the Rockies; every building was taller than the last. Neil came to town with a job as a middle manager of the Amoco Production Company. Soon he was much sought after to add a touch of class to civic causes. He became a trustee on the board of the Children's Museum and a sponsor of various charities, a veritable point of light. Quickly, he surmised how it all operated. "Everybody has relationships,

continued on page 26

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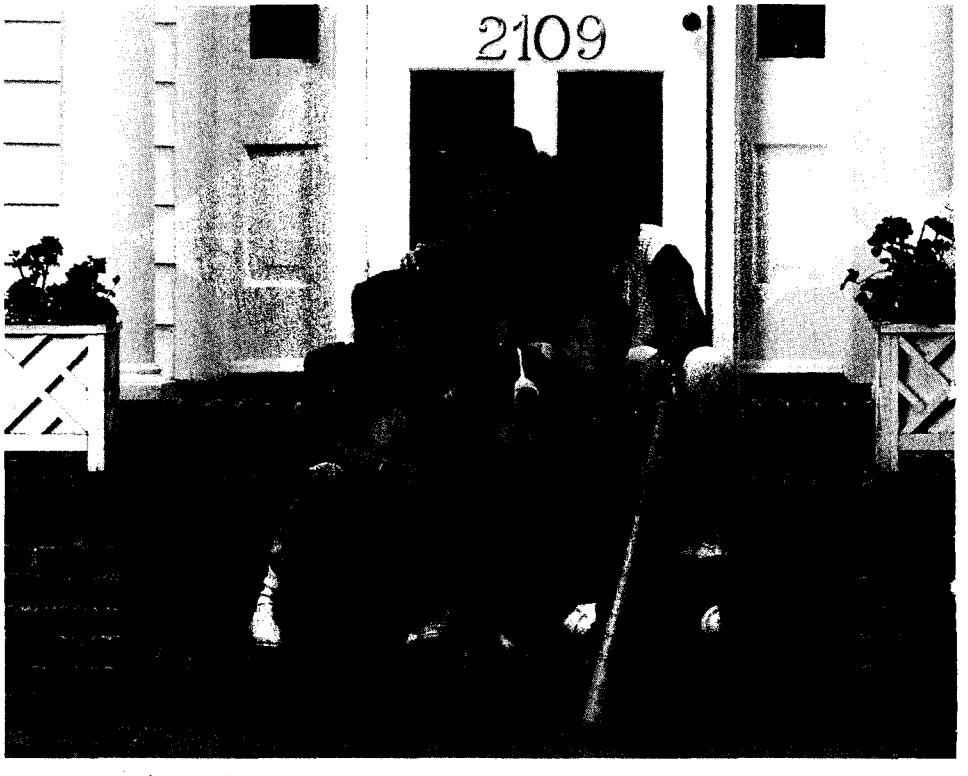

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everybody knows everybody," he remarked.

In 1982 President Reagan signed a bill deregulating the S&L industry. "All in all, I think it's a jackpot," the president said upon affixing his signature. Vice President Bush was appointed chairman of the Task Force on the Regulation of Financial Services, which issued a report approving less federal oversight of S&Ls. Thus, throughout the 1980s, in their own ways, George and Neil Bush led parallel lives, members of an old family lending the imprimatur of legitimacy to the fast new money. It was a nightmare foreseen by Franklin D. Roosevelt. "We do not wish to make the United States government liable for the mistakes and errors of individual banks and put a premium on unsound banking in the future," he said, insisting on strict supervision, after signing the legislation that created the Federal Savings and Loan Insurance Corporation. But now, as the ranks of regulators were drastically cut, the S&Ls were invited to abandon the home mortgage market, speculate in real estate pools, and lend huge sums to favored customers. Government, according to the rhetoric of the period, was being lifted off the back of business; markets were being liberated.

In January 1983 Neil formed his own oil exploration company, JNB, with two associates from Amoco, putting up $100 for an equity stake. It was the beginning of a business that drilled thirty wells that never once struck oil but served as the basis for extraordinary good fortune. Neil trolled for investors through many skyscraper suites. His chief attraction was his identity. In his office he mounted a framed picture of his father; on his desk he displayed a nameplate reading "Mr. Bush" that had belonged to his grandfather.

Almost instantly the oil company whose wells were bone dry became liquid. A cast of mountebanks who had discovered Neil at the head table in Denver's social scene started to throw money his way. The first was Bill Walters, chairman of Denver's Chamber of Commerce, whose ideology was the sort of boosterism that Sinclair Lewis had satirized sixty years earlier. In Neil's deal with Walters Petroleum, he received $150,000 in exchange for 6.15 percent of JNB. Walters also extended to Neil a $1.75 million line of credit at the Cherry Creek National Bank, which he owned. Walters eventually received more than $200 million in loans from Silverado and accumulated $43 million in Silverado stock. He used the bank as a dumping ground for his many troubled properties.

A few months later, in August, another investor turned up, eager to shower money on Neil. Ken Good wore silk suits, drove a Maserati, lived in a $10 million house, and took frequent gambling trips to Las Vegas, where he was celebrated for playing five hands of blackjack at once. He had arrived in Denver after leaving Dallas in a swirl of controversy over a land deal. He had tried to insinuate himself into the local Democratic Party, but failed in a bid to promote himself into the finance chairman. He was "well known as a character to stay away from," says a Denver businessman who observed him closely over the years. Stories had already appeared in the newspapers raising questions about his methods. His business was sustained by a series of loans from Silverado. To Neil he pledged $740,000 in loans and $1.5 million in investment, with financing arranged by the Cherry Creek National Bank of his friend, Walters.

In October 1984 Good made a special personal "loan" of $100,000—"an incredibly sweet deal," said Neil when it was exposed. Good used the money to trade in the commodities markets on Neil's behalf; he told Neil he didn't have to bother to repay him. "I wasn't going to deny him his chance of having fun," Neil explained.

By now he was well on his way to making it, using the family name rather than the family money. The name had a lot of momentum behind it that fall as the Reagan-Bush ticket headed toward a landslide victory. One of the biggest Republican fund-raisers in the country, raking in $1 million, was held in Denver. Its host, Larry Mizel, chairman of the MDC Holding Company, a real estate firm, was at the center of the action. MDC was financed in great part by $700 million in junk bonds, raised by their inventor, Michael Milken. Among Mizel's partners were Charles Keating, of the Lincoln S&L in California, and Walters. Mizel would eventually acquire more than 35 percent of the Silverado Holding Company, using the bank to dispose of poor investments for huge profits. According to his contractors and subcontractors, he demanded as a condition of business that they launder political contributions to his preferred candidates.

Though JNB still had not discovered any oil, large sums of money continued to rain on Neil Bush. At a dinner party in the spring of 1985, he got an offer to join the board of Silverado. The proposal was made by Michael Wise, who had risen on his talent for salesmanship from a clerk in a men's clothing store in Emporia, Kansas, to local S&L operator to director of the Federal Home Loan Bank of Topeka to official of the U.S. League of Savings Institution, the S&L industry's lobbying arm, which exercised heavy influence in Washington. In 1979 Wise had bought the Mile High S&L and changed its name to Silverado. He eliminated passbook savings accounts and home mortgages; his game was for bigger stakes. He even hired a public relations firm to enhance his image as part of the Denver social elite. For Wise, Neil Bush meant entrée to the higher circles.

In September the thirty-year-old Neil joined the board. "I didn't pretend to be an expert on the savings and loan business, but he said that was OK," he said, as if accepting the assurance of a fatherly figure. Neil, for his part, failed to disclose to the other directors his relationship with Walters.

By this time Silverado was already imploding. It was showing paper profits by forcing borrowers to buy parts of a pool of bad loans on failing real estate and construction deals, dropped on the bank by its manipulative shareholders and their business associates. The more failing assets Silverado held, the more it lent. But

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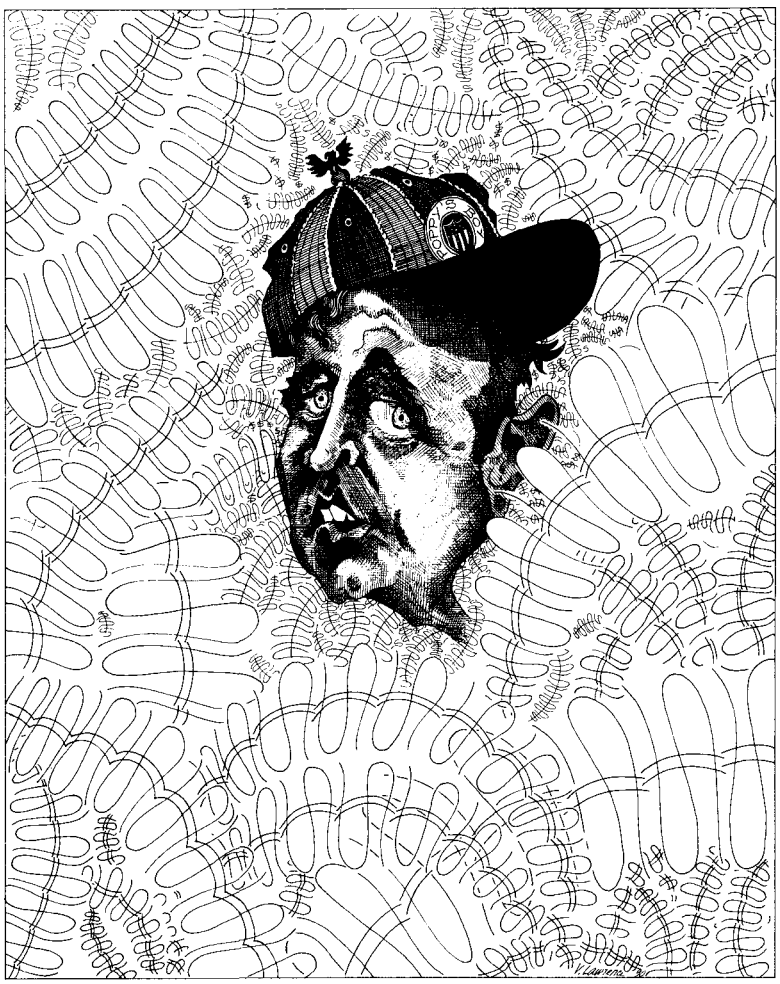
the cash-for-trash Ponzi scheme could not be sustained indefinitely.

In June 1986 Neil filled out a form of disclosure to the federal government for "any activity, interest or relationship . . . that might create or appear to create a conflict of interest." He wrote: "None." Three days later he voted to approve a $16 million purchase by Silverado of Walters's ailing properties.

In an ominous portent, Good suddenly moved to Tampa. Shortly afterward, in September, Neil agreed to his latest plan: Good would acquire 80 percent of JNB, which would be folded into his Gulfstream corporation, in return for a pledge of $5 million in capital. The next month Walters Petroleum withdrew from JNB. But Walters still held a $100,000 note on Neil that, if called, might have forced JNB's closure. By failing to demand payment, however, Walters kept Neil in his eternal debt. Without ever formally disclosing his relationship with Walters, Neil approved $106 million in Silverado loans to him—all of which were defaulted on.



NEIL BUSH BY VINT LAWRENCE FOR THE NEW REPUBLIC

In November Neil sent a chummy "Dear Mike" letter to Wise asking the Silverado board to provide a $900,000 line of credit to Good International. (Just weeks before, Neil had executed another conflict of interest form in which he tersely noted that Good was "a substantial partner" in JNB.) Neil abstained from the vote but did not tell the board that the money would be used for a joint venture in Argentina with JNB International and that he would therefore directly benefit. The loan was routinely approved. And then the board restructured the terms of Good's loans, totaling $32 million, in his favor. None would be repaid. Neil abstained from this vote, too; he also neglected to mention Good's promise of an additional $3 million for JNB.

A month later the principal shareholder in JNB, Good, decided to raise Neil's salary from $75,000 to $125,000, even though the company was showing paper losses. Good also pledged collateral to the Cherry Creek National Bank to reduce Neil's guarantee on his credit line to $250,000, which Good promised to indemnify in the event Neil ever had to pony up. Then Neil was paid a $22,500 bonus. He was now completely in the thrall of the speculators. His contribution to his own business was utterly derivative. But the temptation of riches overrode any resistance to his exploitation.

And, with the Bush-for-President campaign under way, the prospects for the Bush name were greater than ever. In preparation for the campaign, Neil subjected himself to a media training course under the direction of a friend, Peggy MacKinnon, the general manager of the Denver office of Hill & Knowlton. She had earlier proposed him as the representative "new adventurer" for an advertising campaign rejected by the Colorado Tourism Board. "He's a real personable guy," she told me, "a real honest sort of person."

Perhaps his most significant campaign performance took place in July 1987, standing in for his father with all the other Republican candidates at a forum in Iowa. When the results arrived from the Ames straw poll, in which Bush finished fourth, Neil piped up: "Let me just tell you a thing or two. Iowa isn't the only state that matters. There's New Hampshire, and we've got the governor." He ticked off state after state, governor after governor, all endorsing the vice president. The other candidates and their staffs were stunned by Neil's petulance.

Throughout the next year the men around Silverado raised hundreds of thousands of dollars for the Bush effort. Wise chaired an event that raised more than $300,000. Good, the former Democratic insider, gave more than $100,000 to the Republicans. It was now a good possibility that Neil was the son of the next president. Good also put Neil on the board of Gulfstream as a director, for which he received an annual fee of $100,000.

Everybody, however, knew that Silverado was reeling. As early as 1982, when the game had really started, federal regulators had noted the bank's weakness. In April 1988 they determined it was insolvent, bled dry.

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Throughout the summer and fall, as the presidential campaign moved toward its climax, the regulators were stymied by federal officials in closing the bank. James Monroney, a thrift regulator, later said that his superiors deliberately "refrained from taking action" because of the involvement of Neil Bush.

On August 8 Neil resigned from the Silverado board. "I made the decision on my own," he explained. Two weeks later he delivered the Colorado delegation at the Republican convention to his father. During the subsequent campaign, Michael Dukakis, advised by a Democratic establishment that was also compromised by the S&L fiasco, and with his impeccable sixth sense of avoiding issues that might help him, never raised the question.

Two weeks before the election Kermit Mowbray, an old friend of Wise, who was then president of the Federal Home Loan Bank in Topeka, was ordered by unnamed Washington officials to delay shutting down Silverado until December. Who made the call? "I don't recall," Mowbray told the House Banking Committee in June 1990.

After Bush's election, Silverado was shut down. Good and Walters defaulted on their loans; Wise fled back to Kansas. But Neil seemed oblivious. A year later he moved into a $550,000 home on the Glenmoor Country Club golf course, built by MDC Holdings and purchased in his wife's name for "estate planning purposes," he told *The Denver Post*.

George Bush seemed strangely unobservant, or even tacitly approving, of his son's snarled affairs. In December 1989, the president appeared at a Republican fund-raiser whose chairman was Larry Mizel and vice chairman was Bill Walters. At a local high school Bush delivered a lecture on drugs to the youngsters that might also have applied to Neil: "You need to have the confidence to look your false friends in the eye and say, 'Hell, no!' " But by continuing to lend respectability to those who had used Neil, the father encouraged the son to believe that he had done nothing wrong.

Almost immediately the sky began to fall. In early 1990 Wise, Mizel, Walters, and two other former board members agreed that they would never again hold a bank position. Only Neil refused to sign the "cease and desist" statement. Instead, he proclaimed his innocence. "Good was not a principal in JNB," he said blankly, in May, before the House Banking Committee. "I didn't have any interest, financial or otherwise, in any of Ken Good's business." Upon his return to Denver, he regaled a party: "I kicked their asses."

The president stepped forward to declare his "full confidence in the integrity and honor of my son." He was obviously pained. "He's probably the most sensitive of our four boys—maybe the second most sensitive." But Neil was toughing it out, doing battle with the image of the wimp.

Now the father attempted to rescue the reputation of his son. Thomas Ashley was brought in to tutor Neil for his congressional appearance and to form the defense committee. And Neil has turned again to MacKinnon for advice. "Whatever works for Neil is what I consider good for Neil," she says. But because Neil has steadfastly refused to admit that he "engaged in unsafe or unsound practices" at Silverado, the Office of Thrift Supervision will hold open hearings in Denver on September 25, rehearsing his business career. It will be the equivalent of being put in stocks in the public square, a humiliation that Neil's stubborn claim of innocence has made inevitable.

Foolishly and unintentionally, Neil Bush has put on trial his family and the generation that came of age in the 1980s. He inverted the idea of noblesse oblige into a notion of entitlement, acting as if the world should serve him because, after all, he is Neil Bush. His belief in money supplanted all other beliefs that might have bound him. Thus he put himself at the mercy of those who manipulated his ambition. The vocation of money management calls for extreme prudence and counting-house virtues. But a sense of fiduciary responsibility was thoroughly lacking in the puppy. In his effort to live up to the image of his father, Neil disastrously carried the family name far from the patrician baseline.

This is not only the story of a ne'er-do-well son but also of an affectionate yet neglectful father, who paid no attention while his son fell among scoundrels in his desperate effort to stand on his own two feet. Near the beginning, when Neil was asked to join the Silverado board, his father, who aspired to the White House, did not bother to have the connection examined. "Where is the family retainer, the old lawyer?" inquires Nelson Aldrich Jr., the author of *Old Money*. "Every patrician family has a retainer, a repository of wisdom and secrets, who knows the family's shameful secrets and most noble ambitions, a fixer of the first order." But Ashley says that the Bush family has no such figure to call upon. "The further they get away from the energies that made the family great, the more they need someone to look after them in this world of exploiters," says Aldrich. "Those who had greatness thrust upon them are the most defenseless, like poor little Neil."

Even today George Bush has shown no hint of disapproval of the squalid judgment of his son. On the contrary, the president persists in defending his innocence. It seems unlikely that there will be a final scene in which the father gives the son the stern lecture.

In the meantime, the S&L crisis, which has seriously eroded the country's solvency, and in which Neil has emerged as the emblematic figure, will not disappear, even with the enormous glare of Saddam Hussein dominating the media. The scandal will cost taxpayers at least $500 billion and take decades to pay off. Even as the president strides on the world stage, a tale of his family's decline will continue to unravel.

Back in Denver Neil has started a new oil business, the Apex Energy Company, and has been in search of investors. The stories are already floating around town. One businessman recounts Neil's response when a secretary would not put his call through. "But this is Neil Bush," he said. "Neil Bush, the president's son." •

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NUCLEAR ENERGY: VITAL TO U.S. SECURITY

Before August 2, Americans saw little reason to worry about energy or the Middle East. But the Iraqi blitzkreig into tiny Kuwait reminded us of the frightening volatility of Mideast politics, and the folly of importing half of all the oil we use.

Our heavy dependence on foreign oil is aggravated by another related energy problem: demand for electricity is growing faster than new supplies are being added. Reliable service is suffering in parts of the U.S. and we're using more imported oil to supply electricity. Will it take a full-scale crisis, like widespread blackouts and oil cutoffs, before we do something?

One reason why the U.S. is so vulnerable to energy crises is the lack of a coherent, long-range energy policy. President Bush has asked the Department of Energy to formulate a National Energy Strategy, one that "must balance ... our increasing need for energy at reasonable prices, our commitment to a safer and healthier environment, our determination to maintain an economy that is second to none, and our goal to reduce dependence ... on potentially unreliable energy suppliers..."

Nuclear energy is one of the few available energy sources that meets the President's objectives. As a major part of our National Energy Strategy, nuclear energy can help steer the nation away from an energy crisis and toward the security that will free us from the whims of foreign nations.

Nuclear Energy Fosters Energy Independence. In 1989, we imported over 40 percent of our oil, at a cost of $860 million per week – about 40 percent of last year's $109 billion trade deficit. These staggering figures would be even worse without America's 112 nuclear energy plants. Since the 1973 oil embargo, U.S. nuclear energy plants have saved us 4.3 billion barrels of oil and $125 billion in foreign oil payments. These savings continue to mount, and new nuclear energy plants can help assure more energy independence.

Nuclear Energy Spurs Economic Growth. There is a clear, continuing relationship between electricity and economic growth. Since 1973, our Gross National Product has grown 51 percent, while electrical consumption has grown 54 percent. In contrast, use of non-electric forms of energy actually fell by six percent. Nuclear energy has a key role to play in fueling future economic growth. It has supplied 36 percent of all new electricity since 1973, and today, nuclear energy is our second-largest source of electricity, behind coal.

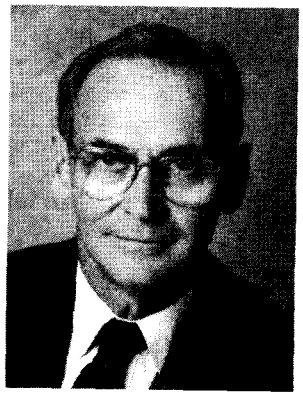
Nuclear Energy Meets Our Energy Demands. Both the U.S. economy and electrical demand are expected to grow at 2 to 3 percent each year until the end of the decade. But planned new electrical generating capacity will not meet that growth. Some utilities have already experienced demand not expected until the mid-1990s. As electricity supplies tighten, we'll need every secure generating source, including nuclear energy, to maintain reliability. And we must avoid increasing the use of oil to generate that electricity. Unfortunately, our use of oil to generate electricity has grown by more than 34 percent in the past two years.

Nuclear Energy Protects The Environment. Nuclear energy is one of the cleanest sources of electricity available for large-scale use. Last year, nuclear electric plants reduced U.S. sulfur dioxide emissions by 5 million tons, nitrogen oxide emissions by two million tons, and carbon dioxide emissions by 128 million tons The small volume of waste generated by nuclear energy plants has been safely managed at plant sites in steel-lined storage pools, posing no threat to the environment.

Nuclear Energy Saves Consumers Money. Since 1973, U.S. nuclear energy plants have saved consumers $45 billion compared to the other fuels – coals, oil and natural gas – that would otherwise have been used to supply electric power. New advanced-design nuclear plants that can be built in the 1990s will be cost-competitive with coal-fired electricity, and will provide electricity cheaper than either oil or gas-fired plants.

Nuclear Energy Has Public Support. Eighty-three percent of Americans say nuclear energy will be important in meeting our future electricity needs, and almost the same number believe the U.S. will need more nuclear energy plants. Nearly 70 percent say we should use more nuclear energy to combat the problem of greenhouse gas emissions and global warming. And, by more than 2-to-1, Americans prefer using more nuclear energy over importing more oil.

Clearly, Americans recognize the many benefits of nuclear energy, and are counting on its benefits in the future. The National Energy Strategy should allow nuclear energy to serve the needs of our country, including reducing our dependence on unstable foreign governments. By ensuring a strong future for nuclear energy, our policymakers will be helping to assure a bright energy future for Americans.



Harold B. Finger
President and Chief Executive Officer
U.S. Council For Energy Awareness

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BOOKS & The Arts

Stanley Kauffmann on Films

Film Worlds

Many great artists have left notebooks and sketchbooks — Beethoven, Turner, and Chekhov come first to mind—in which they chart the course of ideas from conception to fulfillment. Akira Kurosawa has done the reverse: in **Dreams** (Warner Bros.) he sketches ideas that, in large part, he has already fulfilled. The film consists of eight episodes that are dreams he says he has had. He must have dreamed some of them a good while ago because he has already used their basic visions and ideas.

In the very first piece a small boy wanders through a forest of giant trees, and we immediately recall the forest passages in *Rashomon*. In another piece, the horror of nuclear explosion reminds us of *Record of a Living Being*. In another piece, a surviving officer of World War II faces some revenant soldiers whom he sent to their deaths, and the undertone is the theme of honor that has long preoccupied Kurosawa.

Only this wonderful director could have made these episodes with such mastery and simplicity, but they are not all equally interesting. Some of them are a touch banal and didactic. The least satisfactory is one about Vincent van Gogh. A young (Japanese) painter is studying some van Gogh paintings in a gallery when he is literally absorbed by one of them. He moves into the landscape, talks to the washerwomen in the picture, and learns that van Gogh is out in a field, painting. The Japanese man finds him. (Van Gogh is played by Martin Scorsese, the director, who, oddly, speaks English: the Japanese painter has spoken French with the women.) Van Gogh delivers himself of a few homilies about artistic dedication, then walks away; and the painter "returns" to the gallery, looking at the picture he has just come out of.

Kurosawa started his professional life as a painter, and his dream of encountering van Gogh is possibly rooted in some painterly frustration—if it's possible to think of a man who has made such beautiful art as being frustrated. But the form that this episode takes, including the children's-theater scenery and the inspirational message, is beneath the usual Kurosawa level.

A different sort of theater figures in other episodes, especially one about a boy whose parents have cut down a peach orchard. The boy confronts three or four rows of gods and spirits ranged along the tiered side of the hill where the orchard once stood. The long shots of this gorgeous scene are illustrations from a theater of splendor. The No theater influenced early Kurosawa, and here again he blends theater and film aesthetics.

The best sequence in *Dreams* is a purely cinematic achievement—the story is quite secondary. Four men, mountain climbers, are caught in a blizzard, and eventually the leader is visited by a sort of angel of death. The incessant snow, the choreographed wind, the acuity with which Kurosawa finds shade after shade between absolute white and absolute darkness—all these are breathtaking. In *Dersu Azala*, the film that Kurosawa made in the Soviet Union, a battle with the elements is a high point. This new blizzard episode shares the same sense of primal confrontation, the elements stripping man to his own elements.

Dreams is unlikely to rank as major Kurosawa. Its real value is as an assurance of continuity from this eighty-year-old master, who is at present finishing another film in Japan.

Meryl Streep begins her performance in **Postcards from the Edge** (Columbia) with a subtle touch. She plays a film actress named Suzanne Vale, and the picture opens with a sequence from a film that Suzanne is making. After a while Suzanne fumbles her lines, and the scene has to be reshot. Suzanne, as an actress in that scene, is quite commonplace. Streep, as Suzanne herself, talking to the director, is immediately fresh and live. This distinction sets one of the themes of the film, the difference in depth between Suzanne the actress and the woman herself, and it also affirms Streep's insights.

The screenplay, by Carrie Fisher from her own novel, is crammed with peeks behind the Hollywood scenes that seem authentic, especially in the relationship between Suzanne, who takes drugs, and her mother, a famous performer, who drinks. Bright dialogue, more rhinestone than diamond, twinkles throughout, but the screenplay is a hemstitched affair. The title is a bit too appropriate: the whole film is a series of reports on what's happening in Suzanne's life, rather than a cogent, integrated comedy-drama. Still, forgiveness comes easily because of the chances that the script gives to talents.

FILMS WORTH SEEING

Ariel. *Aki Kaurismäki is a name to remember. This gifted Finnish director at last makes his American debut with a taciturn comedy about love triumphing mordantly. (Reviewed 8/20&27/90)* **Cinema Paradiso.** *A Sicilian boy grows up with the town film theater as his real school. Like eating a great slice of lasagna. (2/19/90)* **The Icicle Thief.** *Another belated debut. Maurizio Nichetti, the Italian author-director-actor, presents a delightful fantasy-comedy that bounces the plump color-TV world of today off the black-and-white neorealism of 1950. (10/1/90)* **Pretty Woman.** *Piffle at its near-best. Julia Roberts charms as an LA hooker getting more involved than she thinks with a visiting tycoon, Richard Gere. Disarming, endearing. (4/16/90)* **—SK**

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Dennis Quaid, playing a producer who lies Suzanne into bed, is like a vertical snake. Richard Dreyfuss, luckily for us, accepted the small role of the doctor in charge of the detox program where Suzanne seeks help; he is solid. Gene Hackman, the director of the film she is making at the start, once again makes good acting look easy.

Shirley MacLaine gives an even more vivid performance of the devoted-competitive mother than she did in *Terms of Endearment*, because this woman knows she's an actress, knows why she battles with the daughter she loves. The love-rivalry of mother and daughter is a familiar subject, but always a good one when well handled, and it gets a spirited workout here. (The adoration-but quality is heightened because both women get the chance to do musical numbers, and each truly thinks the other is fabulous.)

Mike Nichols, who directed, is at his best. All Nichols needs is a lightweight script, and he can soar. Cinematically the film slips rapidly along: Sam O'Steen, Nichols's usual editor, lends a skillful hand. It's in the directing of actors that Nichols particularly shines. Grading, tempos, interplay are all superbly managed. Not one line is given the slightest sliver of misreading.

From the moment she first appeared, Streep was a major actress. Her career has not been an unbroken series of triumphs (her last film, *She-Devil*, should be burned), but she has moved along steadily, unwilling to repeat, growing, looking for challenges. Suzanne is a less obvious challenge than some of Streep's heavier roles in the past, but she sees that this woman views her life as a black comedy with part of herself as audience; and Streep realizes it all with humor, delicacy, heat. (Note the scene in which, hidden behind a costume rack with only her eyes visible, she overhears a director and a costume designer discussing her body.)

One more talent to praise—Michael Ballhaus, the cinematographer. See, for just one instance, the early scene in the detox ward where MacLaine visits her daughter. Ballhaus gives the high lighting to the mother, the lesser lighting to Streep. He underscores their moods and relationship at the moment without any obtrusive artiness. •

What the West learned about the East (and the West) in the Rushdie affair.

Shame

BY PAUL BERMAN

I.

One key to the Rushdie affair can be found in transcripts of Radio Tehran broadcasts and other official Iranian sources from February 1989, when the Ayatollah Khomeini issued his spectacular *fatwa* against the offending novelist. The broadcasts and the statements, "in the Name of God, the Compassionate, the Merciful," though not so merciful as all that, make a certain paranoid sense, if you approach them with a willing empathy for the plight of Islam. The sense is that of a grand conspiracy theory.

It goes like this. Centuries ago, in the glorious times, Islam radiated power and self-confidence. It struck terror into the heart of Christendom, not to mention into the heart of pathetic Jewry. But ever since Napoleon's catastrophic invasion of Egypt, things have taken an alarming downturn. The West has risen. Even the Jews have risen. Muslims trek vast distances to frozen hiring halls like Bradford in the faraway Little Satan in search of work. The sword of Islam whirls less brilliantly through the air. Why?

It is because Western colonialism has known exactly how to manipulate the Muslim soul. Hashemi Rafsanjani, then Speaker of the Iranian Parliament, explained to the listeners of Radio Tehran: "From the day the Western colonialists harbored the intention of colonizing the Islamic countries—or to be more precise, to demolish and create havoc in the Islamic world—they sensed that they must deal with something called Islam." These colonialists set out to "undermine the people's genuine Islamic morals." They caused Islam to dilute its fervor, which disarmed the Muslim peoples in the realm of belief and left them helpless against the Western attacks.

In Good Faith
by Salman Rushdie
(Granta, 22 pp., $3)

Is Nothing Sacred?
by Salman Rushdie
(Granta, 16 pp., $3)

The Rushdie Affair: The Novel, the Ayatollah, and the West
by Daniel Pipes
(Birch Lane Press, 269 pp., $18.95)

The Rushdie File
edited by Lisa Appignanesi and Sara Maitland
(Syracuse University Press, 284 pp., $32.50, $12.95 paper)

Salman Rushdie: Sentenced to Death
by W. J. Weatherby
(Carroll & Graf, 258 pp., $19.95)

Happily the Muslims rallied. The Ayatollah Khomeini's Islamic Revolution was a stunning comeback. Western colonialism (or as it is sometimes called, "imperialism and Zionism," or "international blasphemy," or "global arrogance," or variations on these themes) reeled in retreat. The imperialists retorted by setting Saddam Hussein against Iran. Islamic fervor withstood the assault. So the Western colonialists, hard-pressed by these repeated fiascos, hit upon yet another scheme, which was to subsidize a renewed effort at secularizing Islam and undermining clerical authority.

According to the Tehran Domestic Service, British Intelligence was responsible for the diabolical enterprise; or alternatively, "agents of international Zionism" were in charge; or again and more vaguely, the responsible agent was, according to a sermon by then-president Ali Seyyed Khameini, merely a "cultural conspiracy of world arrogance." In any case, the method was defamation, preparatory to the plunder to come. According to Rafsanjani, the "organized and planned effort," the "plot designed by Western imperialism to fight true Islam," involved major state agencies and large sums of money:

> So they chose this method of action—choosing a person who seemingly comes from India, apparently is separate from the Western world, and has a misleading name.

PAUL BERMAN writes for *The Village Voice*, *Dissent*, and other journals.

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He means that Rushdie has a Muslim name, or conceivably he is referring to the unlikely fact that "*rushdi*" in Arabic means "mature, reasonable, or proper."

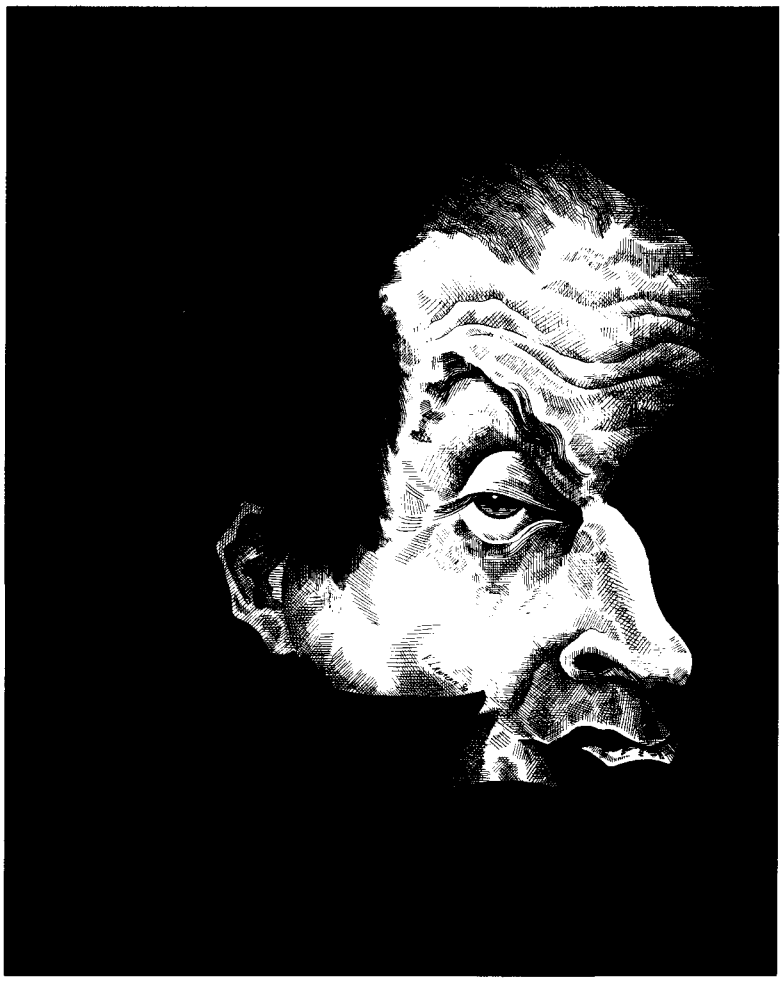
> Money had been given to that person, in advance, as royalties. They appointed guards for him, in advance, as they knew what they were going to do. One notes that Zionist publishers are involved. . . .

Of course, there was more to "the well-calculated and extensive plot" than a single book from a London publishing house whose president happened to be an American Jew. In Rafsanjani's words, the Rushdie affair is "not about the book and reader, it is over the West trying to dictate to Islam." The book was intended merely to play a small role in the larger effort—though as Khameini observed, the small would have grown large if all had gone as hoped and a movie (entirely imaginable—just consider!) had been made.

To my mind, the conspiracy theory (as documented among the collected papers in *The Rushdie File*, with knowledgeable comments by Daniel Pipes in the course of his own interpretation, emphasizing religion, in *The Rushdie Affair*) clarifies the most puzzling aspect of the entire incident. That aspect is the extravagance of the outrage, touching on panic, felt by Islamic fundamentalists. Any number of non-Muslim Western readers have claimed to understand precisely why the Muslim fundamentalists reacted as they did to *The Satanic Verses*, but when the text itself is held in hand and the offending passages are studied, the grounds for violent Muslim rage have not—can this be confessed?—always been as obvious as claimed.

Yes, anyone can appreciate that naming the twelve prostitutes in the witty brothel scene after the twelve wives of Muhammad was less than diplomatic on Rushdie's part. But the prostitutes merely sport the names; they are not themselves Muhammad's wives, who go on "living chastely" in their proper harem; and the brothel scene is in any case merely a fevered dream of an addled person who has tumbled 29,000 feet from an airplane blown apart by Sikh terrorists. Shouldn't these factors extenuate the blasphemy? Or if it is true that even the wisest of old-school Koran scholars knows how to read only literally and cannot acknowledge contexts, couldn't a literary expert have explained the matter to them? Novels are not an ancient art form in Iran, but neither are they entirely new.

Yes, one can acknowledge that questioning the divine origins of the Koran is a heinous thing, equivalent to renouncing the religion, rather like a Christian doubting the divinity of Jesus, except worse somehow. Yet Christians with doubts constitute a long, noble tradition. Mightn't Islam have such traditions, too, if only as an underground heresy involving smuggled texts and late-night soul-barings in seminary school? And to go on with the offensive elements of the book, anyone can see that Rushdie, having caused Indira Gandhi to sue over her unflattering portrait in *Midnight's Children*, and having been unkind in *Shame* to Benazir Bhutto ("the virgin Ironpants"), has taken a graver step in *The Satanic Verses* by describing the Ayatollah Khomeini as a man-eating demon ("grown monstrous, lying in the palace forecourt with his mouth yawning open . . ."), attended by an appalling follower modeled on Cat Stevens, the British rocker. Yes, Salman Rushdie is the bane of an entire region. He's a wise guy. He shouldn't have called Mecca "Jahilia" in *The Satanic Verses*, since "Jahilia" is Arabic for "Ignorance." Yes, yes, yes, an impious book, a sacrilege, a blot on the name of civility. But is *The Satanic Verses* truly "the most offensive, filthy, and abusive book ever written by any hostile enemy of Islam," as a Muslim leader in Britain put it?



SALMAN RUSHDIE BY VINT LAWRENCE FOR THE NEW REPUBLIC

Compare its filth and abuse to a volume like *Sex Habits*, which appeared in China last year. According to the description provided by Pipes, *Sex Habits* asserted that pilgrims visit Mecca in order to mate with she-camels. In *Sex Habits*, minarets and domes stand for male and female sex organs. The very skyline is blasphemed in the hair-raising *Sex Habits*. The Chinese government, under Muslim pressure, suppressed this scandalous volume and prosecuted the people responsible for it, yet even then, a death sentence somehow proved avoidable. In all of *Satanic Verses*, by way of contrast, not a single pilgrim mates with a camel, not even in a dream. (It's true that in Rushdie's *Shame* the separatist guerrillas develop an amorous taste for "four-footed mistresses" among the sheep and goats. But religion was not involved, and *Shame* was well received in Iran, possibly because it depicted this sort of thing in Pakistan.)

Nor is *Sex Habits* the only recent example of overtly sacrilegious razzings of Islam. The Islamic world is immense. Snickerers, sneerers, and doubters lurk in every pious corner; books of even the shadiest sort, pornographic or rationalist (shadiness has always come in these two strangely related varieties), can be bought under the counter with sufficient cash, according to Pipes. What about the classic Muslim author Abu Nuwas, a specialist, according to Pipes, in wine and pederasty? Muammar Qaddafi's "Green Book" makes claims that are heretical in the extreme. Why single out poor Rush-

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die, the dapper dinner-party guest, the writer of fancy modernist fictions, whose novel very likely has less of the popular touch than the demented *Sex Habits*, judging from Pipes's demure description?

It is because—if you take seriously those transcripts and other documents—*The Satanic Verses* is more than blasphemous. It is imperialist, as no Chinese pornography is likely ever to be. The London address, the Jewishness of the publisher, the large advance, the author's Booker Prize, his membership in the Royal Society of Literature, all guarantee this. Worse: in *The Satanic Verses*, blasphemy and imperialism join hands. The very title of the book echoes faintly with that unfortunate union. Pipes has some light to shed on the delicate topic of this title. The "Satanic verses," according to the conventional scholarship, refer to two lines that Muhammad inserted into the Koran in a cynical effort, as it would seem, to appease local powers in Mecca—then withdrew on the conviction that Satan had composed the two regrettable lines. Rushdie thought he had dug up this embarrassing and largely buried incident from a legitimate Koranic source, al-Tabari (d. 923), who reported the affair.

But according to Pipes, the novelist has merely pried his story out of the scholarly work of Western investigators, who themselves pried it out of Tabari. The crucial words "Satanic verses" never appeared in Tabari's canonic report. Those words derive from the British writer William Muir in his 1861 *Life of Mahomet*. "Satanic verses," in short, is an Orientalist, not a Muslim, phrase. It has a foreign, not familiar, sound to Muslim ears. And because "verses" is liable to be translated into the Islamic languages with a term that connotes all 6,236 lines of the Koran and not just the controversial two lines intruded by Satan, a Muslim coming across Rushdie's title may well interpret it to mean "The Satanic Koran," which does have an unfriendly implication, especially for someone who adores the Koran and thinks Satan is all too real.

Rushdie intended nothing of this sort. To view his title as an attack on the Koran is, as Pipes says, a "colossal misunderstanding." But what could he do? He learned his Islam at Cambridge, not in a proper Islamic country, and he managed, by grace of that education, to botch his title just sufficiently to fortify the impression (which probably would have arisen anyway) of conspiratorial anti-Islamic meddlings on behalf of the imperialist West. And more: the name "Mahound," reeking of the devil, which Rushdie has assigned to his Muhammad character, he explains away by remarking that many people adopt their enemies' worst taunts as a freely chosen sobriquet—Tories, for instance, and blacks. Yet look who those enemies happen to be, in the case of the Prophet. Mahound is the very name that was hung about the Prophet's neck by his mocking European opponents, those terrifying conquerors, in the period when they were always threatening to descend from boats and set their fanatical Christian flagpoles in the sand.

The very first of the Islamic fundamentalists who raised a hue and cry against *The Satanic Verses*, the Indian politician Syed Shahabuddin, alluded to the antiquity of the Islamic fears that are aroused by such a name when he noted, in the course of a diatribe against Rushdie in *The Times of India*, that the West "has not yet laid the ghost of the crusades to rest." And when you take these different elements of the affair and filter them through a political imagination that has blossomed for years with every kind of purple paranoia about imperialist and Zionist plots, *The Satanic Verses* begins to sound like a sword slipping from its sheath. A vast and desperate struggle is conjured in the fundamentalist imagina-

REPRESENTATIVE BRUCE MORRISON'S IMMIGRATION BILL: A POPULATION BOMB

The Middle East oil crisis has made us realize how vital it is for our nation to reduce its dependence on imported oil. Yet, an immigration bill (H.R. 4300) sponsored by Rep. Bruce Morrison (D-CT) would greatly increase our dependence, by increasing immigration, and thereby the size of our U.S. population.

A larger population would increase our dependence on imported oil because it is people who use energy. More people use more energy. Fewer people use less energy. That may seem obvious but our national leaders seem to ignore those facts.

Rep. Morrison's bill would increase immigration to 1.5 million a year, or more. That would mean at least 15 million in the decade of the 90s, plus at least 2 million children that would be born to the immigrants during that time.

Illegal immigration is still out of control, and will add an estimated 3 million more to our population in the next 10 years. The total increase in our U.S. population, therefore, due to immigration alone, would be a staggering 20 million!

That increase would require over 1.3 million barrels of oil a day, at present per capita consumption. Our own domestic production of oil is declining, so that the additional oil would have to come from imports. At, say, $25 a barrel, it would cost our nation almost $12 billion a year, which would add to our already enormous trade deficit.

We can never hope to reduce substantially our dangerous dependence on imported oil unless we halt, and eventually reverse, our population growth.

To achieve that goal, we need to halt illegal immigration, and reduce legal immigration to a yearly overall ceiling of 150,000 including all relatives and refugees. In that way, immigration would be in rough balance with emigration (out-migration), and would no longer contribute significantly to U.S. population growth.

The long range consequences of increased immigration would be catastrophic. With current U.S. fertility, and immigration at the level of the Morrison bill, U.S. population by the year 2080 would be well over 500 million, and still growing.

On August 1st the Morrison bill was approved by the full House Judiciary Committee. It is considered likely that the full House will approve the measure when it reaches the floor of the House for vote, possibly in late September.

If you believe, as we do, that the measure must be defeated, please call and write your Congressional representative today. Make your views heard and felt.

Also, please write to us and ask for a free copy of our paper titled, "Immigration and the U.S. Energy Shortage."

NPG
Negative Population Growth, Inc.
210 The Plaza (7C)
PO Box 1206, Teaneck, NJ 07666

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tion by that novel: the struggle of the West versus the East, an unhappy endless struggle in which the oppressed Islamic masses have not always fared too well. The Pakistani movie about the affair, a grade-C shoot-'em-up called *International Guerrillas*, offers a fine image for that fear by showing "Salman Rushdie," dressed in a Western sportcoat and professorial eyeglasses, slashing with a bloody sword at helpless crucified Muslims dressed in traditional robes.

II.

A picture of Rushdie wielding a sword in the struggle between East and West is the key to almost every aspect of this astounding affair, not just to the violent outrage of the Islamic fundamentalists. But which way does the sword point, East or West? Oddly there is no consensus on this, the central question. Conservatives in Great Britain, and to a lesser degree in the United States, who are not afraid of Zionist and imperialist plots but do worry about the fate of the West and the fortunes of its internal and external foes, think that the fundamentalists have gotten Rushdie almost entirely wrong. Far from being a tool of colonialism, Rushdie is, in their view, a fanatic of anticolonialism; far from a hireling of British Intelligence (or in another version, "an inferior CIA agent"), he is a fierce opponent of the British and the Americans; far from (or in addition to being) a hater of Islam, he is a hater of the West.

Pipes, who holds the conservative view, puts it succinctly in a chapter called, somewhat sinisterly, "Rushdie: A Man of the Left." The author of *The Satanic Verses* should be seen as a doctrinaire Third Worldist. He "espouses the classic anti-Americanism of the Third Worldists." He "hates" the "United States itself," as well as New York City, which he calls " 'that transatlantic New Rome with its Nazified architectural gigantism. . . .' " He especially despises Britain. "More broadly, Rushdie despises the entire West, which for him is a place 'stuffed with money, power, and things.' Or, in the cruder terms of one of his characters, it reduces to 'the motherfucking Americans' and 'the sisterfucking British.' "

For his principal evidence, Pipes holds up, as if by the scruff of its guilty neck, the slightest of Rushdie's volumes, *The Jaguar Smile*, his tour book of Sandinista Nicaragua that appeared in 1987. Putting a lot of emphasis on this one representative of Rushdie's writing may be a little unfair. Rushdie devoted a rigorous three weeks of research to *The Jaguar Smile* and got nearly everything wrong. Without the earlier successes of *Midnight's Children* and *Shame*, it's hard even to imagine that *The Jaguar Smile* would have achieved the immortality of hardcover publication.

Still, *The Jaguar Smile* does express political ideas, which it is reasonable to examine, and these ideas do include a dose of anticolonialism—as might be expected from someone who was born in Bombay at about the time of the Indian achievement of independence (without the phantasmagoria that is depicted in *Midnight's Children*). Rushdie tells us that he learned politics in the atmosphere of "a successful revolt against a great power, the triumph of the Indian revolution." *The Jaguar Smile* suggests that

> those of us who did not have our origins in the countries of the mighty West, or North, had something in common—not, certainly, anything as simplistic as a unified "Third World" outlook, but at least some knowledge of what weakness was like, some awareness of the view from underneath, and of how it felt to be there, on the bottom, looking up at the descending heel.

So something of a "Third World" position does come through, even if not in a "simplistic" or "unified" version. Equally naturally, Rushdie writes about the stupidities of U.S. policy. Pipes is right about that, too, though he might have added that every book ever written about the Sandinista revolution adverts, either leftishly or rightishly, to the stupidities of American policy.

But do these attitudes reveal a doctrinaire Third World disposition to despise the "entire West"? In a telling passage in *The Jaguar Smile*, Rushdie describes falling into conversation with some Sandinista leaders who attribute enormous power to their enemy, the CIA. He finds that his own "reflex reaction" is "simultaneously Eastern and Western" (though East and West are terms that in other settings he seems to dislike)—his "Eastern voice" refusing to discount the CIA's malevolent abilities, his "Western voice" skeptical about blaming the CIA for every disaster that ever occurs. Even Pipes acknowledges, by way of noting a peculiarity in Rushdie's views, that a commitment to freedom of the press never deserted the novelist in his tour of Nicaragua.

What if this man with an Eastern voice and a Western voice is just another well-meaning liberal, full to bursting with the kind of fashionable political cliché that begins to sag only after the fourth week of rigorous research? Or what if Rushdie is merely an eager supporter of the global intelligentsia, the sort of sophisticate who cheers the Sandinistas partly because the novelist Sergio Ramírez was their vice president, and would cheer the novelist Mario Vargas Llosa too (as he does in one of his interviews), if Vargas Llosa's right-wing campaign had gotten him elected president of Peru, and is perfectly happy to cheer Vaclav Havel as well (as he does), because the president of Czechoslovakia writes plays? Not everyone is a born ideologue. "I've never been a hard-line zealot," Rushdie himself has said.

The conservative condemnation of Rushdie will have none of that. Flipping through *The Satanic Verses*, Pipes is convinced he has discovered still more rancor against the West. He says: "His experiences and outlook caused Rushdie's writings to bristle with hostility toward Great Britain. This is especially apparent in *The Satanic Verses*"—for instance, in passages where Rushdie depicts the British police pushing a befuddled immigrant into the back of a Black Maria and behaving "with all the delicacy one expects of thugs in a police state." But when conservative dogmatists get going in this literary-critical vein, it's hard to know if there's any choice between them and the fundamentalists. Pipes doesn't even get those policemen quite right, since in the novel they behave less like thugs in a police state than like raucous cops in a racist society—a small difference, let us acknowledge, to their poor victim, but a difference nonetheless.

Sometimes the differences aren't so small. Pipes goes on about Third World radicalism, but in *The Satanic Verses* Third World radicalism comes under a hail of satire. This occurs in one of Rushdie's subplots about Dickensian street life in the immigrant districts of London, in which the leader of London's West Indian and Asian Third Worldist movement (a supporter of Qaddafi, Khomeini, Louis Farrakhan) turns out to be, alas, a sex criminal, not that his followers seem to mind.

In another passage, Pipes, retreating somewhat from the charge of dogmatism, pictures Rushdie as a "disaffected intellectual who criticizes or makes fun of nearly everything." But this isn't right either. Some things he praises. *The Satanic Verses* manages to express an open affection for British civilization, the England of "Bigben Nelsonscolumn Lordstavern Bloodytower Queen." The same unhappy victim who gets beaten in the back of the Black Maria by the racist louts (and who of all the characters in *The Satanic Verses* most plainly resembles the novelist, down to small biographical details) is an immigrant who has come to love the British sensibility and wishes to bathe himself ever more deeply in it—despite the trendy leftism of his own strictly British and deftly satirized wife.

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The loyal immigrant extols Britain for nothing less than its treatment of immigrants, which is going pretty far, given the louts in police uniforms:

> Its hospitality—yes!—in spite of immigration laws, and his own recent experience, he insisted on the truth of that: an imperfect welcome, true, one capable of bigotry, but a real thing nonetheless.

So speaks the evident stand-in for the supposed despiser of "the entire West."

Rushdie's error, to call it that, what has led to all the confusion, was to write something other than a single-minded tract. He doesn't even believe in tracts. In a lecture from early this year, "Is Nothing Sacred?," which was delivered by his friend Harold Pinter, he goes so far as to define novels as a kind of debating platform: "the stage upon which the great debates of society can be conducted," full of conflicting voices. His own rendition of conflicting voices is so exuberant as to resemble a monsoon. Scenes, characters, ideas, and stories flood across his pages, such that any flotsam of ideological purpose is bound to bump sooner or later into the jetsam of its opposite. The fundamentalists' anti-Islam Crusader novel goes bumping against the conservatives' anti-Western Third Worldist novel—then both go floating across the flooded plain.

And still the author isn't finished. Even his prose rushes its banks, full of Oxford and Scottish English, courtroom old-fogeyness, bits of American, several classes of Bombay slang, Caribbean calypso, and who knows what—as you might imagine from a talented former actor who not only lugs around *Moby Dick* and *Ulysses* as personal bibles but finds himself, when he goes home to visit the family (which he won't be doing anymore, we may assume), dreaming in Urdu. Then he reaches further still into the grandeur of the Koran and *The Arabian Nights*. The fragrant spices of the Orient waft on a hashish breeze. His syntax, resolutely offhand and modern, turns just as resolutely archaic. "The secret," he told a couple of interviewers, "is in the sentence, isn't it? The sentence that begins in the Middle Ages and ends in the twenty-first century."

A technique like that, even if executed with faultless skill, will always lend itself to multiple interpretations. With Rushdie, the skill is sometimes less than faultless. He droops into a lovey-dovey sentimentality every time one of his sensitive males falls in love with one of his still-more-sensitive females. There is the problem that people without special backgrounds won't appreciate the *clef* satires of the Indian and Pakistani elite or the Koranic digs. Liveliness and vim, but not always characterization, are Rushdie's talents. And with one thing and another, the reader, too, safe in his armchair, goes flooding out to sea for pages at a time, which is a serious flaw in *The Satanic Verses*, doubly unfortunate when you consider how many people have bought the book out of sympathy for its author but without much experience at reading novels.

You have to bear with Rushdie sometimes, not that bearing is much to ask. With a little patience, the mystery does disappear. Rushdie's purposes become clear; they even turn out to be familiar. These purposes are easily enough explained. In *Shame*, he describes a real-life Pakistani father in the East End of London who murdered his daughter because she slept with a white boy. In *Midnight's Children*, he describes the mutual massacres of Hindus and Muslims in India and Pakistan. Deep in his kindly heart, Rushdie is a man who feels horrified by that sort of awfulness—not just by the violence, but by its motive, which is morality, the fanatic zeal of people who think nothing of putting their child or neighbor to the God-mandated torch.

Morality's opposite, namely shameless corruption, plays its part, too. The absurdity makes him laugh—bitterly. It inspires him to satire. In this respect, Rushdie is comparable to the old-

"An appropriately colossal book about an undeniably colossal man."*

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fashioned liberal novelists—to, say, Benito Pérez Galdós, who painted nineteenth-century Spain under its cloak of Catholic piety, and saw in Spain, as Rushdie sees in the Muslim world, a dark universe of hypocrisy and oppression, weakly illumined by frail beams of liberalism. Except that in Rushdie's universe the liberal beams are frailer still, because they come from so very far away, and from the place that used to be the imperialist oppressor.

With its theme of immigration, *The Satanic Verses* gives the liberalism versus obscurantism question a further wrinkle. Rushdie's immigrants live, in the front of their consciousness, in the workaday environment of grimy London. But in the back they still inhabit the faraway supernatural terrain of the exalted religious imagination. This is part of what he means when he calls his book, in his explanatory essay "In Good Faith," a "love song to our mongrel selves." As an immigrant writer, too, he belongs to a grand tradition. Love songs to the mongrel self, an old theme, were an early and still-not-exhausted inspiration of other writers in other literatures, among them the Jewish writers in America. Rushdie tips his hat a couple of times to Isaac Bashevis Singer in *The Satanic Verses*, possibly in recognition of this.

Yet Rushdie's relation to the supernatural half of the mongrel self can't help departing from anything that the American Jewish writers have known. For them, the old traditional world has been disappearing for a hundred years, and in any case it never saw the Grand Rabbi of Vilna dispatching hit squads against the erring literary sons of Zion. Mostly the Jewish writers have been free to compose their love songs in a rueful and regretful tone. But how is it with their Islamic brethren? The armies of God still march, which means that satire still beckons. Thus Rushdie ends up as part Singer, part Galdós. When one of the characters in *The Satanic Verses* dreams deliriously of "Mahound" and the founding of a religion called "Submission," his dream displays the supervividness of the more-than-real—but even in the dream, skepticism keeps up its steady hilarious jeer from outside the tent. Mahound speaks with the earth-trembling voice of God; Mahound's scribe (Salman the Persian, as fate would have it) rolls his eyes.

Describing Rushdie's purpose in these ways should make clear how badly the partisans of religious and political orthodoxies have mangled *The Satanic Verses*. "The most offensive, filthy, and abusive book ever written by any hostile enemy of Islam" was written with what appears to have been the purest of literary motives: the desire to amuse his readers with invention and to show them something of what life is like. You plunge into his chapters; you become engrossed and delighted (more even than confused and impatient); you laugh and worry; and you do learn what life is like. You learn about the sort of person who lives in the religious past but is also in a struggle against that past; who has fled the old country for the modern world but has mixed feelings about modern worlds. You learn, in short, about the predicaments of many Muslims who have immigrated to the West. You learn that the terrible scimitar of East-West struggle that everyone attributes in different ways to Salman Rushdie runs right through people like him—twisting all the while, just to keep everything as painful as possible.

III.

Twenty-two people were killed in anti-Rushdie rioting in Pakistan and India. Rushdie himself may never be able to emerge from his gloomy world of safe houses and Scotland Yard, and his publishers may always have to live in fear. Billions of dollars in trade were lost due to ruptured relations between Iran and other countries. The secular intelligentsia in the Islamic world was put on notice, and even writers in the West will not be hurrying any time soon to produce imaginative commentaries on the Prophet or the nature of Islam. It would hardly seem possible to speak of anything useful or salutary coming from these several disasters. The Rushdie affair was not a triumph. Yet in one respect the affair did serve a useful purpose, which was to focus everyone's attention on what it is that people mean when they speak of that vague entity, half geographical, half spiritual—the "West."

Practical responses to the affair offered a main definition. Rushdie received his police protection—even if, in the early days of the affair, Sir Geoffrey Howe, the British foreign secretary, denounced him with such gusto as to make the novelist worry about desperate deals between governments. Viking Penguin, at more than $3 million a year in security, maintained the book in print—even if the publisher still shies from issuing a paperback, as would normally have happened by now. The bookstores kept the book in stock—even if the chains, lacking the sense of vocation that animates the braver independents, needed a kick in the shins, and even if some of the timorous independents never did place their orders.

Trophies

Over stiff blossoms of cocktails, firm studs of leathered dens,
bucks give perpetuity
above-it-all glass stares.
Their nailed heads must rest secure
their sum lives on the other side
of plaques they wear like pillories.
How wise, how benign they seem.
In contrast to the spiked heads of deposed
dictators, the hors d'oeuvres of history.

Don't trophies mean golden droves of loving cups
incumbent upon glass? Or keepsakes
that preen like sculpted flak,
tureens full of blackout saying the kick in the groin,
the bayonet hung with guts is here made clean.
A tone higher than the note
broadcast by merchants to kill vermin
holds their alloyed atoms intact.
They will last longer than our children,

these vases for bouquets of zilch and zap.
No rosebuds rise like screwed-up lipsticks
from their brass tubes. Brass wombs,
they bear transcendence
without blood, pus, piss, spit, snot, or come.
Like children, they cry I won, I won!

Alice Fulton

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The writers of PEN who promptly (well, promptly enough) stood up to make statements, the people in the street chanting "I am Rushdie," the publishers in several countries who insisted on proceeding with their editions after a few understandable moments of fumbling, the magnificent Muslim students at the University of Iowa who read aloud from *The Satanic Verses* (showing that the fault line in this affair was never between Muslim and non-Muslim)—all gave proof in the only way that matters, bare-chested, of a principle at stake. The dispute between a free-thinking, book-writing, peaceful individual and a violent, authoritarian, theocratic state system could not have been more sharply posed. To be "Western" was to stand with the free-thinking individual, no matter the expense or danger or the name of the service one attends on Friday or Saturday or Sunday.

That was the main definition, and it was clear enough. Still, when you turn to the histories of the affair and to the continuing commentary, it's sobering how many people have departed from that definition, and not just out of timid acquiescence to terrorist fears. A note of hostility to Rushdie, or at any rate of sympathy for fundamentalism, rang like a gong through the affair. Most of the anti-Rushdie sentiment tended, of course, to be religious, though not especially rooted in any particular religion. A kind of interdenominational spirit arose, American-style, one might almost say, except that the original call for religious unity came from Iran. It was Rafsanjani, on the day after the Ayatollah's call for murder, who laid out the non-sectarian rationale in a Tehran radio broadcast:

> The Koran does not indulge in bad language, nor does it accept it, nor does it shrink from opposing insults to the sacred things of other peoples. For us that applies to other religions. If today somebody insults His Holiness Moses, Abraham, or Jesus, then we must stand up against such insults with the same intensity.

Fortunately for Martin Scorsese, that threat had not yet been uttered at the time that *The Last Temptation of Christ* was bombed in Paris and otherwise subjected to a strictly Christian censorship campaign. Rafsanjani went on: "We expect the world's Christians and Jews—those who do not espouse Zionism—to protest seriously. . . ."

And they did. Here, for instance, was the chief rabbi of Great Britain, Immanuel Jakobovits, cast by job title into being one of those to whom people around the world would look for a Jewish response. A chief rabbi, it might have been supposed, with the odor of burned books in the air, would show some skepticism about neat distinctions between Jews and Zionists. He would point out—wouldn't he?—that violent anti-Rushdie movements around the world were raving about imaginary Zionist conspiracies. Rushdie himself has noticed the anti-Semitic aspect of the affair and calls attention, in his essay "In Good Faith," to denunciations of his book as "the product of an international capitalist-Jewish conspiracy"—dispensing with the neat distinction. Rushdie has always been clear on anti-Semitism's debt to the anti-Zionist cause: in *Shame* he wrote about "anti-Semitism, an interesting phenomenon, under whose influence people who have never met a Jew vilify all Jews for the sake of maintaining solidarity with the Arab states."

But somehow the Jewish side of the affair escaped the chief rabbi of Great Britain. He confined his protest to Rushdie's affront to religion, generically conceived, and concluded, out of concern for the wounded feelings of pious persons everywhere: "The book should not have been published." Of course, he disapproved of calls for murder, too: "Both Mr. Rushdie and the Ayatollah have abused freedom of speech." Dr. Robert Runcie, archbishop of Canterbury, in a spirit similar to that of the incisive rabbi, saw fit to say of the Islamic fundamentalists, "I understand their feelings"—even though understanding the feelings should have been difficult if he didn't also understand that Islam is the victim of a Zionist-imperialist conspiracy of global arrogance led by his own government. From the opposite pole of Protestantism, Jimmy Carter, America's foremost lay preacher, managed to inveigh mostly against Rushdie and to insinuate that the novelist hoped to capitalize on the offense to Islam.

Catholic reactions were still more impressive, if only because of the range of officials who expressed them, beginning very close to the top. The Vatican newspaper *L'Osservatore Romano* criticized Rushdie, as Pipes explains, "more specifically and at greater length than the Ayatollah." Cardinal John J. O'Connor of New York urged Catholics "not to dignify the publication of this work," meaning that people shouldn't read it. The president of the French bishops' conference, Cardinal Albert Decourtray, offered his "solidarity" with the injured Muslims. Cardinal Jean-Marie Lustiger of Paris asked, "Can one condemn someone to death without a trial?"—as if a failure to observe due process was the principal fault. (That was also the Saudi position, incidentally.) One of the only religious leaders who made a point of defending the novelist in his moment of terror and danger was a Jesuit magazine editor in France, who was promptly relieved of his editorial duties.

There was nothing in these several responses, except to people with long memories, to remind you that as recently as fifty years ago a philosopher of political liberty like Sidney Hook could call Catholicism "the oldest and greatest totalitarian movement in history." The Western churchmen didn't actually try to do anything against the terrible novel. Yet it was striking that even today, in a time of democracy, when the overt alliance of religious groups in the West with fascist political currents has faded away almost entirely—even today, the first response of a great mass of holy reverences was to view the threat of murder as a regrettable but secondary matter, and to view the danger of censorship as no danger at all, and to view the workings of an open, vigorous, probing imagination as an alarming menace that requires earnest denunciation around the world.

A different urge to sympathize with fundamentalists cropped up even among liberals, based on the tolerant principle that one man's desire to worship the sun god deserves as much respect as another man's desire to lop off the heads of infidel sun god worshipers, if both men feel their desires deeply and authentically. Writing in *Ms.*, Letty Cottin Pogrebin defended Rushdie yet at the same time "made the leap of empathy" with the fundamentalists, if only because she, too, as a Jew and especially as a woman, has experienced deep and authentic pain from published materials—from *Hustler* magazine, for instance. The anti-Semitism of the fundamentalists no more bothered her than it bothered the chief rabbi, nor did she seem to notice the relevant fact that Rushdie's unforgivable offense, in the fateful passages about the two "Satanic verses" in the "Mahound" chapter, consists partly of criticizing the Prophet's "unhealthy" ideas about keeping women segregated and repressed—the very ideas that, revived by Khomeini and Rafsanjani's Islamic revolution of the 1970s and 1980s, have produced perhaps the single biggest setback to the rights of women that history has ever seen.

Sometimes an odor of personal contempt for Rushdie emerged—strongly in the responses of Islamic fundamentalists who assumed that Rushdie was a corrupt opportunist, but no less strongly among some of the British. To be sure, British reactions had to take a variety of special interests into account, which complicated the affair for them. Voting patterns in La-

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bour districts with large Muslim populations doubtless had an influence on the Labour Party figures who rushed to condemn the novelist or to coddle the people who threatened murder. The Conservatives in the government, with more justification, had to take state interests into consideration, and keep in mind the fate of British hostages in the Middle East. But even acknowledging these several calculations, there was in quite a few of the British responses an extra little drop of poison. Howe went the furthest among officials by assuring the fundamentalists that "the British government, the British people, do not have any affection for the book." He complained that Rushdie "compares Britain with Hitler's Germany," which was untrue. (As Pipes observes, Nazified New York architecture, whatever Rushdie means by that, was the only such reference in *The Satanic Verses*.)

Howe even hinted at some kind of action—against Rushdie's writings, presumably—by promising to "explore the possibility of taking necessary steps under British law to resolve the problem created by the publication of the book." That sounded ominous, especially when you recall that freedom of the press is not the incontestable fact in Britain that it is in more fully consistent democracies. Nor was the foreign secretary in any way alone, since his remarks—"obsequious and cringing" though they seemed, in the judgment of *The Financial Times*—were echoed by Home Secretary Douglas Hurd, Foreign Office Minister William Waldegrave, and by Mrs. Thatcher herself, in token of an apparently unanimous government conviction that salutes to Islam were appropriate but a few dignified comments on behalf of one of Britain's more vigorous literary lights were not. And whatever the rationale behind these British comments, the poisonous tone, the instinct for holding the winner of the Booker Prize at arm's length, was unmistakable.

W. J. Weatherby, in his useful biography of Rushdie, shows that all through the novelist's career in Britain, beginning with school at Rugby, he has had to face something of that attitude. Maybe his personality isn't right for the British upper classes. He has the brashness of anyone who was the right age in 1968, combined with an immigrant's zest in a country that prefers the suavity that comes from inherited status, which make him seem, as all ambitious immigrants do, pushy. Of course, nothing about being insufficiently British was said by the members of the government, apart from the implication in Howe's remark that "the British people" feel no affection for Rushdie's book. But Paul Johnson, writing recently in *The Spectator* with none of the tongue-biting caution of a politician, managed to describe Rushdie as "a young man of Asian origin," a "non-white" with "little obvious talent" except for an ability to be a "good hater," whose "hate is directed at the right kind of target, i.e., the British, Mrs. Thatcher, etc.," which left little doubt about the grain and texture of the anti-Rushdie sentiment.

Americans who commented on the affair have shown less interest in race, that British obsession. Still, among conservatives the suggestion crops up here, too, that Rushdie, unworthy of a fine country like Britain, with its splendid right-wing government, doesn't quite belong and ought to go somewhere else. In Pipes's estimation, "one of the best lines in the entire affair" was written by Patrick Buchanan, the right-wing columnist, who said: "While protecting Mr. Rushdie's right and Mr. Rushdie himself—from his enemies and ours—we should shove his blasphemous little novel into the cold." The line that attracts Pipes's applause was a reference to Rushdie's misappreciation of Daniel Ortega and his dislike of Mrs. Thatcher: "Since he is so high on Danny the Red and so down on Mrs. Thatcher, maybe Sal will want to fly down to Nicaragua and seek sanctuary there." That is a charmless little crack.

Pipes himself is of two minds about Rushdie: in one mood he recognizes, as a sober scholar of Islam, that writers like Rushdie play a crucial and admirable role in the gradual secularization of the Islamic world, just as the fundamentalists fear. But in his other mood, as right-wing dogmatist, the sober scholar ends up adding his pointed finger to the anti-Rushdie accusation. He writes: "Although Rushdie had lived in Great Britain since childhood and had become a British citizen, he hardly embraced his adopted home." What could that possibly mean? Is a man obliged to prefer Thatcher to Kinnock to prove his British credentials?

It is an oddity of this affair that, surrounded by zealous police agents who have been dispatched by Tories and having had to witness the pathetic courtings of fundamentalist votes by sellout Labour politicians, Rushdie has, in recent remarks, shown a friendlier face to the partisan foe, as anyone would do. He told *Granta*, "I don't think there's much chance of my becoming a Conservative voter, but maybe I'd use a different kind of language if I was talking about the Conservative government now; maybe I wouldn't be quite as polemical." Not that these expressions of gratitude have done him good at *The Spectator*. In any event, how could the author of *The Satanic Verses* embrace the sisterfucking British more passionately than by becoming one of their more ingenious and exuberant writers? Is he to stop lugging *Moby Dick* and *Ulysses* around and turn to quaint parlor-room novels (as some critics, who praise the sentimental passages in *The Satanic Verses* and dislike the exotic *Arabian Nights* aspect, would have him do)? Should he forget his Urdu?

The Rushdie affair was the first big international event of 1989 and contained in germ a good deal of what would happen in the next several extraordinary months. Political categories were already getting scrambled, with right-wingers tending to sympathize a little more with the Ayatollah (as had been foreseen in the Iran-contra scandal), left-wingers tending to worry a little less about offending a Third World anti-imperialist regime. Some sectors (if not all) of the popular left in America finally took the opportunity to move in the direction pioneered ten years earlier by the non-Communist left in France—for liberal civilization, against totalitarianism. Even Abbie Hoffman, in one of his last demonstrations before his death, stood outside the Iranian mission to the United Nations and denounced terrorism in the name of "the modern civilized world." *The Village Voice* published a signed editorial by Ellen Willis called "The West Betrays Its Principles" (not included in *The Rushdie File*), urging Western governments to take a harder line against the fundamentalists. "Do the people and the governments supposedly committed to democratic values have the will to fight back?" asked *The Village Voice*. It was probably the first time in the history of the alternative press that an editorial called for a stronger Western reaction to a Third World threat.

It was significant, too, that at the White House, the prodding of the hard-line *Village Voice* was not heeded. President Bush's statement on the affair displayed none of the anti-Rushdie rancor of British Conservatism, nor any of the groveling toward Islam, but Bush didn't bother defending Rushdie either. The president managed to paste the same label, "offensive," on both the book and the call to murder its author. He (and Secretary of State Baker even more coldly) raised the question of American interests as if those interests were only a matter for future worry. It fell to Susan Sontag and other figures from PEN, at public meetings and in testimony before the Senate, to point out that an American publisher had already been threatened with death, not to mention that freedom of literature might be a national interest. In Bush's statement could already be seen the president's impending non-response to the massacre at Tiananmen

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Square and his failure to articulate, at the time of the Autumn Revolution in Eastern Europe, even the slightest explanation of democracy to a world that was suddenly eager to listen.

The Rushdie affair, as the first global event in that amazing year, put the question of liberalism versus totalitarianism in a light so clear as to be dazzling, and in that manner helped prepare the tremendous victory that liberalism would shortly achieve in Europe and other regions. But the affair already demonstrated that the West, at the moment of its triumph, was more than a little uncertain about the virtues of liberal ideas. It showed that the West might call in the police, but words were harder to summon. Liberalism in that year achieved one of the grandest victories in all of history, but the moment for instruction in the gist and the purpose of the liberal idea came and went, and the West, more geographical than spiritual, was struck dumb. •

Multiple Choice Test

BY JAMES Q. WILSON

Politics, Markets, and America's Schools by John E. Chubb and Terry M. Moe

(Brookings Institution, 336 pp., $28.95, $10.95 paper)

Social scientists who write about public policy occasionally manage to catch up with popular wisdom. More rarely, they manage to improve on it. John Chubb and Terry Moe, two political scientists, have done both in this extraordinary book about our public schools. Their volume brings to completion a story begun a quarter century ago, when serious scholars first began to ask what effect schools, and the money we spend on schools, have on our children.

In 1966 the U.S. Office of Education released what quickly became known as the Coleman Report, after its senior author, James S. Coleman. Charged by law with measuring "the lack of equal educational opportunities" for blacks and other minorities, and drawing on a painstaking analysis of differences in school achievement among 575,000 pupils in 4,000 schools across the country, Coleman and his colleagues reported to a stunned Office of Education that virtually none of the obvious differences among schools—pupil-teacher ratios, per-pupil expenditures, the age and quality of physical facilities, the number of books in the library—explained differences in educational attainment. How much students learned seemed to be associated almost entirely with their family backgrounds and the backgrounds of their peers.

The inputs into schools—for example, money—did not have much effect on the outputs of those schools. Perhaps because the finding was so contrary to the conventional wisdom, an embarrassed Office of Education released the report on the Fourth of July weekend, when not many reporters are in town and newspapers publish thin editions. But did the Coleman Report really disprove the conventional wisdom? To the extent that received opinion held that spending more on teachers and school facilities would improve educational attainment, the answer is yes: within the range of variation to be found in this country, spending more does not get you more. Other studies and further analyses of the original Coleman data, notably by Christopher Jencks, have pretty much confirmed that.

But in this matter there is another sort of received opinion: the opinion of typical parents. Before and after the Coleman Report, millions of American families decided where to live partly on the basis of the quality of the schools available to their children in various neighborhoods and suburbs. And having chosen a home, many of those parents promptly joined PTAs, lobbied school boards, and argued with principals, all with an eye toward improving school quality. Were these parents ignoramuses who needed only to read a 737-page government report, together with its 548-page statistical appendix, to learn the error of their ways? And having read these documents, would they have been well-advised to ignore schools in choosing a neighborhood and watch television instead of going to PTA meetings?

I think not. Certainly Coleman did not think so. Schools differ in quality, but the quality differences cannot be measured in terms of objective characteristics. The problem facing social scientists was to observe the intangible characteristics of schools. This meant, alas, trying to measure the unmeasurable (or at least the very hard to measure). To accomplish this, one would probably have to settle for looking very closely at just a few schools.

This was done. In 1979 Michael Rutter and his colleagues in England reported on their close observation of several thousand children as they went through twelve secondary schools in working-class areas of London. They gathered much of the same data as Coleman and came up with much the same results; objective differences among schools with respect to such things as physical facilities were not correlated with differences in pupil achievements. But two intangible factors *were* correlated: the academic balance among students (the mix of gifted and not-so-gifted students within a school) and the ethos of the school. The ethos or the organizational culture associated with schools that produced better results was an atmosphere that emphasized the importance of learning, a consistent and effective pattern of discipline, the frequent use of praise, classroom sessions that were carefully planned in advance, and regularly assigned homework.

Rutter's findings were especially compelling because, unlike Coleman, who compared the educational attainments of many students at one point in time, Rutter followed a group of students as they progressed through school. This longitudinal design enabled him to state with more confidence that school ethos was not simply associated with good outcomes, it actually caused them. Many studies began to appear that reported very similar findings—so similar, indeed, that scholars began listing them as elements in what they called the "more effective schools" model. Parents were right to think that some schools did a better job than others, and they were not wasting their time when they tried to improve the atmosphere—the ethos—in the classroom.

Knowledge had advanced, but to what effect? How could government policy or school reformers produce, how could they plan, a desirable ethos in tens of thousands of classrooms? Good teachers make a difference, but by what observable characteristics can we identify good teachers? And once identified, how can we motivate them to use their talents to the fullest? Economist Eric Hanushek was able to show that good teachers improved educational attainment, but he could find no way of predicting who would be a good teacher. Certainly the number of courses taken or degrees received was no guide; for the purpose of

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producing a classroom ethos that was conducive to learning, teachers with a lot of training in education were not better equipped, on the average, than teachers without these credentials.

At this point, in 1982, Coleman (with Thomas Hoffer and Sally Kilgore) returned to the fray. In *High School Achievement*, he and his colleagues argued that, if you statistically hold constant the ability and family background of high school students, private and parochial schools do a better job of educating children than public schools. Just as the 1966 report outraged the civil rights establishment, the 1982 report incensed the educational establishment. Amid a welter of self-serving and ad hominem charges, one serious point was made: even if you control statistically for every measurable background factor (race, class, intelligence, parental aspirations, and so on), it is still possible that some unmeasured factor has led the easier-to-educate children to enter, disproportionately, the private and parochial schools. Thus, what appears to be the better educational outputs of these schools may in fact be the result of the superior pupil inputs to them. Coleman gave some powerful answers to this criticism, but he agreed that there was always a possibility—he thought it was remote—that selection bias was influencing his results.

This time, however, Coleman was clearly in step with public opinion. By the tens of thousands, parents were taking their children out of public schools and putting them into private or religious schools, confident that as a result their children would be better educated. So great has this movement been that today the typical private school is no longer the expensive, all-white New England boarding school but the inner-city, moderately expensive, integrated day school, and the typical Catholic school is no longer all-Catholic in its student body. In fact, the level of interracial and interclass contact is now higher in private and parochial high schools than it is in public ones.

Assuming (as I do) that Coleman's findings and popular opinion are correct, the policy implications are clear, and politically unpalatable: use income transfers or vouchers to facilitate the access of families to private and parochial schools. The voucher option, whereby school funds would go to parents who would then be able to spend them at any approved school, including private ones, has been widely discussed, but it is perceived by the public school establishment—teachers, principals, and school bureaucracies—as a threat to their existence. They are quite right. Worse, the voucher is hopelessly entangled in the debate over public support of religious schooling. Though there is a lot to be said for vouchers, they have acquired a stigma that makes the word, if not the concept, what politicians call a nonstarter.

There is another possibility, of course. We can devise some way of changing public schools so that they more nearly duplicate the success of private and parochial ones. Coleman, Hoffer, and Kilgore gave some clues as to what the change would entail, and they sounded very much like the effective-schools ethos described by Rutter and others: better discipline, a constructive learning environment, high expectations of performance, more homework, and so forth. But how do you do this? Educational reformers over the last decade or so have tried to accomplish this by mandate. If we require better educational attainment, then higher attainment will result. And so state after state has adopted rules requiring that more and tougher subjects be taught, proficiency tests passed, and clearer goals enunciated.

Other reformers, worrying that improved educational achievement may not automatically follow from a law mandating it, have turned their attention to ways of improving and empowering teachers. If the classroom teacher is the key, then give him or her the pay, the freedom, the power, and the status necessary to unleash creative teaching. But that approach finesses the central issue. Which teacher is most likely to use more freedom and power constructively? Politically, if you empower any teacher, you must empower all; if you pay any teacher more, you must pay all more. And in many cases the power does not really go to teachers, it goes to teacher unions, notably the National Education Association.

Now come Chubb and Moe to ask the fundamental question: What is there, organizationally and politically, about some schools that makes them more effective? To find the answer, they take much the same data that Coleman, Hoffer, and Kilgore used and supplement them with facts, gathered from questionnaires sent to principals, teachers, and staff members in the schools that had produced the data on student achievement. To deal with the vexing problem of separating the effects of student traits on achievement from the effects of schools on achievement, Chubb and Moe measure not the level of student achievement at one point in time, but the gain (or loss) in that achievement over a two-year period—from the sophomore to the senior year of the same high school students. An effective school is one in which a student with a given level ability makes the greatest gain; an ineffective school is one in which a student with the same ability level (and family background) makes the least gain, or drops back.

Chubb and Moe find, as did Coleman, that the resources of the school make no difference in educational gains. Neither does race (after controlling for the socioeconomic status of the parents). What does make a difference is (naturally) student ability, parental status, and the status of one's student peers. So far, this is what Coleman and Rutter found. But Chubb and Moe discover in addition that, holding everything else constant, school organization makes a difference.

What is "school organization"? Chubb and Moe mean four things: school standards (having high graduation requirements and a strong emphasis on academic excellence); leadership (having a principal with a strong desire for control and a strong commitment to teaching); teacher quality (having many teachers who were highly rated by their principals and who have a large amount of influence, low rates of absenteeism, and strong feelings of efficacy and harmony with others); and educational practice (having a high proportion of students in academic "tracks," a lot of homework, and effective classroom discipline). In short, Chubb and Moe took the elements of an effective school ethos as observed in close-up studies of a few schools and devised ways of measuring their presence in a quantitative study of many schools.

So far, no surprises. Now the big question. Why are some schools able to acquire the effective-school ethos, an ethos that alone, after controlling for ability and social class, is worth an extra half-year of educational attainment for a typical sophomore? The answer given by Chubb and Moe is the distinctive and most controversial feature of their study: other things being equal, good schools are better because they are less bureaucratic, and they are less bureaucratic because they are less subject to democratic controls.

They are emphatically not making an argument against democracy as such, only against the version of democracy that has been used to govern public education. As the United States has arranged matters, public schools are accountable to elected bodies that are responsive to the demands of relevant constituencies, or at least to the more insistent of these demands. Those constituencies are taxpayers (who want economy), organized teachers (who want security), civil rights

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groups (who want integration), educational reform groups (who want specific programs adopted or changed), and politicians (who want power). Moreover, democratic control as practiced here means that there will be a single school system in each large city (and sometimes one for a collection of cities). Thus, the school administrators must manage large organizations, and this can only be done by adopting uniform rules and issuing standard operating procedures.

The need to satisfy the constraints of outside constituents and the requirements of large-scale management leads to the creation of a system designed to minimize the amount of discretion, or autonomy, exercised by any given school in the system. But top-heavy, centralized management, which is rational from the point of view of school administrators, is irrational from the point of view of school principals and teachers. Education is a complex, labor-intensive, highly discretionary activity carried on in small, low-visibility settings (that is, classrooms). If it were a business, no management consultant would dream of suggesting that the performance of such tasks would be improved by putting day-to-day control of the enterprise in the hands of the top executives. A centralized school bureaucracy does not exist to serve the needs of parents and pupils. No matter how well-intentioned the top executives, they are managing an organization that, by law, must be more sensitive to the demands of legislators, judges, and special-interest groups than to the demands of pupils and parents (assuming it had some way of measuring them).

But there exists another version of democracy: the democracy of client power. It is the democracy of the marketplace, where each consumer "votes" with his or her purchases, leaving other consumers free to vote with theirs. To the extent that the organization gets its resources from consumers, it must be attentive to their preferences; the alternative is failure. Moreover, if there are no economies of scale—in education, there probably are few—then there is no organizational advantage to having a large bureaucracy to manage the school. Under these circumstances, school systems will delegate a great deal of authority to lower-level managers, principals, or headmasters. This difference helps to explain why the New York City public school system has a bureaucratic overhead made up of about 6,000 officials, while the Catholic schools of the New York City archdiocese, which teach about a quarter as many pupils, have a central staff of twenty-five.

The data gathered by Chubb and Moe are consistent with this theory. More effective schools are those that have fewer administrative constraints. Many of these schools are private or parochial. But even among public schools, the more effective ones tend to be the less constrained ones. Not surprisingly, the less constrained public schools tend to be small and located in suburban rather than urban areas. Lest the reader assume that this is restating the obvious, recall that the more effective public schools are smaller and suburban even *after* the effect of money resources, social class, and student ability have been noted.

At this point the typical academic book would end with a restatement of findings and a call for more research. Not this book. In their final chapter, the most interesting in the book, Chubb and Moe set forth a plan for improving public schools in a way that draws on their own findings. The plan involves creating more choice. Unlike many choice plans, however, their plan operates on the supply side as well as on the demand side. In their view, the schools cannot be improved by imposing more requirements or regulations; that just adds to the cumbersomeness of the bureaucratic constraints. Nor can they be improved by decentralization or school-based management; these efforts to make schools smaller will not work unless they also make the schools accountable to parents.

Briefly, Chubb and Moe propose the following: any organization that creates a school that meets minimum state criteria will be certified as a school. The applying organization can be (and in most cases will be) an existing public school, but private organizations will be eligible to apply as well. Every student will be free to attend any public school in the state. Free transportation will be supplied, to the extent possible, so that a theoretical choice will be an actual one. For each pupil enrolled, the school will receive a set fee—a scholarship—from the state, paid for with tax revenues. The amount of that fee will be set by the state to take into account differences among children: children with learning disabilities, for example, or those with conduct disorders, would get more to pay for the extra attention and care they require.

Each school will set its own admission requirements, selecting (on a nondiscriminatory basis) those applicants it wants. Each school will also be free to expel students that it cannot handle. The governance of a given school will be up to that school; it can be run by the principal, by a teachers collective, by a parent organization, by a local elected body, or even by a union. Statewide teacher tenure laws would be abolished, though individual schools could create tenure systems if they wished. Teachers would be free to join unions, but the unions would bargain with individual schools, not with a district or a system. The state would continue to set teacher certification standards, but (Chubb and Moe hope) the standards would be minimal, akin to what now apply to private schools. There would be no statewide assessment of educational attainment: parents and parents alone would judge how well the schools are doing. Schools that did well

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in the eyes of parents would retain or increase their enrollments and thus their revenues. Schools that did poorly would lose revenue and go out of business.

It may seem as though the authors wish to privatize schooling, but that is not the case. Private schools that wished to remain wholly private would continue to operate as they do now. Public schools would still be public, in the sense that they would be supported with tax revenues and subject to state certification requirements. The public system might or might not allow religious bodies to form public schools (though Chubb and Moe prefer that they be permitted). The significant change is the introduction of choice, with meaningful consequences for both the suppliers and the consumers of education.

All of this is controversial, but none of this is unreasonable or farfetched. The proposal is consistent with the authors' rigorous research and in line with what is now being tried in Minnesota, Cambridge (Massachusetts), and East Harlem (New York City). The best parallel is East Harlem, where, in District Four, 14,000 students chose among dozens of schools, many with a distinctive character that can be inferred from their names—East Harlem Career Academy, Academy of Environmental Science, and the Jose Feliciano Performing Arts School (to name but a few). Several schools were created and run by public school teachers; many share buildings with other schools. Each school controls its own admissions and loses money if it does not attract pupils. According to Chubb and Moe, teachers and parents alike are enthusiastic and pupil achievement scores have risen dramatically.

Can the East Harlem experiment be made effective statewide? Chubb and Moe think so. Indeed, they think that unless it is, it will collapse when the handful of visionaries who began it either leave or fall on hard times. The forces arrayed against this choice plan (and almost any choice plan) are formidable—teacher unions (but not individual teachers who have been in a choice program), state departments of education, local school boards, and some intellectuals who persist in thinking, despite the nearly unanimous evidence to the contrary, that some combination of money and regulations will change the schools and that any choice plan is "undemocratic," by which they mean, of course, not centrally governed.

Though the Chubb-Moe plan is consistent with the Chubb-Moe evidence, that is not the same as saying that the evidence proves that the plan will work. Only experience can prove which reforms, if any, will work as intended. Moreover, skillful as the authors have been in analyzing their data, their findings are not invulnerable to the criticisms leveled at Coleman's comparison of public and private schools. No matter how many statistical controls one employs, no matter how conservative one's methodology may be, there is always the chance that the differences between more and less effective public schools are not the result of organizational factors, but of human factors (student motivation, teacher attitudes, community support) that have escaped measurement. It is hard to create an effective public agency, so hard that one may be tempted to attribute the consequences to chance and circumstance rather than to plan and intention.

Still, no important change would ever take place if we waited until the evidence were conclusive. Entrepreneurship and prudent risk-taking are as important in public management as they are in private management. Whatever one's reservations about the studies done so far, they already constitute a far greater body of credible evidence than was available to those who created the public school, who sought to integrate segregated schools, who imposed on the schools the myriad regulations governing special-needs education, proficiency testing, or teacher certification. By comparison to a pro-choice plan, those earlier ideas were shots in the dark.

JAMES Q. WILSON is the Collins Professor of Management and Public Policy at UCLA and the author, most recently, of *Bureaucracy: What Government Agencies Do and Why They Do It* (Basic Books).

Doctor of Humanities

BY JOHN HOLLANDER

The Doctor with Two Heads and Other Essays by Gerald Weissmann

(Knopf, 215 pp., $19.95)

In a fine essay called "Foucault and the Bag Lady," Gerald Weissmann meditates on the condition of a street person brought into Bellevue Hospital in New York City. She was suffering from advancing scleroderma—an incurable scarring of skin, blood vessels, lungs—as well as from the schizophrenia for which she had been sporadically confined in a mental institution. (She was periodically released, thanks to the horrible mock-amnesty that has helped fill our streets with the homeless.) In considering the various sorts of medical "management" by which the effects of scleroderma and schizophrenia might be minimized, Weissmann notes the need for medical monitoring of the first of these. But, he writes, it was

> equally clear that she belonged in some sort of institution that would shelter and clothe her, and where her madness would be managed in such a fashion that she could avoid the injuries of weather and a violent city. She needed what she had never found, an asylum—in the original sense of the word: sanctuary, from the Greek word asylon, meaning "inviolable."

Weissmann directly confronts Michel Foucault's now-fashionable view of the repressive terrors of treatment for schizophrenics. He has little patience with the medical ignorance and shallow paradox-mongering that has greeted Foucault's glorification of the role of preinstitutionalized psychotics in medieval urban life, as well as his concomitant denunciation of the very principle—not the mere ineptitudes—of scientific reform. The price, Weissmann points out, has been drastically high: "Asylums have been emptied, mental health budgets cut, and the church basements filled."

In this and other pieces in his first book, *The Woods Hole Cantata,* Weissmann began to shape a very personal kind of moral essay in which matters of medical practice, the history of medicine generally, modern social history, and—most remarkably—the world of art and literature are continually brought together and interpreted. His present volume, perhaps the best of three (*They All Laughed at Christopher Columbus* was the second), stakes out its expanded terrain in the title essay. It starts out with a meditative amble along the left bank of the Seine, pauses at the Musée de l'Assistance Publique (having to do with public hospitals and clinics), and then takes off from a 1907 painting hanging there. It is by Georges Chicotot, an early practitioner of radiotherapy, and it shows him, top-hatted,

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using his apparatus on the breast of a semi-nude female patient.

A painting serves Weissmann as well as a case history to inaugurate his consideration of artistic, medical, and social progress; his attention oscillates, one might say, between the medical museum and the recently assembled collection of French nineteenth-century art in the Musée d'Orsay. It is concerned not only with the career of a painter-doctor, but with radiotherapy for breast cancer, with the motif of a nude woman in the company of fully dressed men (as in Courbet's great studio painting and Manet's *Le Déjeuner sur l'herbe*), with thoughts about the analogies between the doctor-patient and the artist-model relation, with the iconography of the top hat in later nineteenth-century French culture, with Clemenceau (also a doctor), with French liberalism and other matters.

The essay ends with an acknowledgment of the best of a nineteenth-century French tradition exemplified by the "bourgeois ameliorationist reformers of the Third Republic. . . . Dr. Chicotot and his top hat, Dr. Clemenceau and Lieutenant Colonel Picquart remind one that bourgeois—noun or adjective—need not be pejorative." Weissmann's own characteristic meliorism, hopeful but hardly callow, is more than appropriate in a physician and biomedical researcher; he moves through history not with the narrative vengefulness of the revisionist, but with a liberal sense of irony, and an awareness of both popular and institutional folly.

Weissmann is a physician, a teacher, and a research biologist; he is head of the Department of Rheumatology at Bellevue Hospital and spends summers at the Marine Biological Laboratory at Woods Hole. He is strangely fortunate in being able to write regularly for a medical journal, *Hospital Practice*, on his own particular interlaced variety of subjects, free of the implicit political and fashionable pressures that tend to make the free-ranging literary essay so hard to find today. His essays are in truth remarkably literary: his associative sensibility works in almost Proustian ways.

The unfolding of a piece will often entail a conceptual journey that starts from a close association, sometimes trivial and superficial, between two elements in his broad realm of interest. Then, going below the surface of the literal connection, he embarks on a long trip, a kind of intellectual romance in quest of a deeper connection, somewhere in the meditative regions of analogy. (He will just as often derive a moral in the history of science from an occasion in the history of art as he will the reverse; the book is, incidentally, illustrated with two dozen reproductions of photographs and of paintings ranging from Wright of Derby to Hans Hoffman, Gorky, and Pollock.)

So he will start out with an accidental occasion—a song recital by the wife of a scientific colleague in a rented apartment on the Ile St.-Louis. Several details about the setting prove key: the apartment was once Daumier's studio, the colleague led a group at Yale Medical School that first described Lyme disease and later identified its cause and a possible cure. Weissmann proceeds to take a long walk, pausing for observations of Daumier's painting as opposed to his cartooning, his relations with his neighbor, Baudelaire, Courbet's *The Burial at Ornans*, life on the Ile St.-Louis, the texts of the songs his hostess was singing, the flow of the surrounding Seine, Parisian sewage disposal and its relation to outbreaks of cholera, the possible effects of such cholera epidemics on the revolutions of 1830 and 1848, urban plague, the rural modern plague of Lyme disease and the history both of its origins and spread and of medical knowledge about it.

The literary power of this mode—of taking the long way around the backs of two buildings whose front doorways are adjacent—derives variously from Dr. Thomas Browne and William Hazlitt. The object of such a quest is an underlying connection a little like the answer to a riddle. It is poetic in that the connection would only be noticed or appreciated at first by the author himself, whose writing renders such appreciation profitably infectious, for sensibility is a communicable disease among the highly literate. But its method is narrative, rather than discursive; rather than presenting a simile, Weissmann will tell us about how, on a particular occasion, he got from one term of it to another.

Thus, the remark of a chronically ill patient restored to the land of the living in a few days—"It's like a miracle happened!"—occasions a complex ironic consideration of the concept of the "modern medical miracle," its costs and its bureaucratized inhumanities. Weissmann's discussion constantly returns to accounts of miraculous healings in various saints' lives, and, ultimately, he propounds a perfectly good rationale for the use of the term in connection with those occasions when sophisticated medical practice miraculously coincides with the grateful astonishment of a healed sufferer. Any historian of medicine can know what a "miracle" it is when generations of toil, inspiration, and blind luck, all interspersed and intervening, result in some kind of state-of-the-art treatment; any person in fearful and perhaps hopeless pain can experience a "miracle" of incredible relief. But these points of view are frequently, and often trivially, opposed in warring technical and sentimental rhetorics. It needs the view not of a middle, but of a higher, ground to appreciate the force of both metaphors of the miraculous.

In an essay titled "The Treasure of Dongo," a number of graves of foreigners in the cemetery in Bellagio, on Lake Como, lead to thoughts of other commemorations of other young Englishmen dying abroad (Rupert Brooke, John Cornford). This piece—one of the finest in the book—comes around to a recounting of the story of the treasure of gold bullion, Clara Petacci's jewelry, and other valuables that Mussolini brought with him on his ill-fated dash for the Swiss border, and that had disappeared by the time he was condemned to death by a tribunal held in the town of Dongo, further up the lake. By the end of the essay it is clear that the lasting "treasure of Dongo" is what Edmund Spenser called the "scryne" (meaning both a strongbox and a shrine) of Clio, not merely the gold, but the buried narrative integuments of history. In the active, imagining life of the mind, Weissmann suggests here and in all his essays, that treasure always awaits discovery.

Weissmann's continuing synecdoche for what he unabashedly applauds as the meliorist power of the liberal imagination (he has studied in his time with Lionel Trilling) remains the best and wisest kind of medical treatment (which is of people, he constantly makes clear, rather than merely of the breathing loci of diseases). And yet he is aware of ironies arising from the ways in which medical treatment has characterized itself. He is always attentive to, and often explicitly concerned with, the kinds of metaphor that scientists as well as politicians have employed in discussions of the progress of medical research. Most interestingly, in a contemplation of "Inflammation: From Khartoum to *Casablanca*," he explores the military tropes—particularly as shaded by their association with nineteenth-century British and French colonialism—applied to the human body's defenses against infection. He begins by observing:

> The more we learn about inflammation, the simpler its message becomes: our cells and humors defend the self against invisible armies of the other. We call our losses infection and our victories immunity. It has occurred to me that the language we use to describe this conflict owes less to biology than to the rhetoric of our times, more to politics than to pathology.

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What are the facts?

■ Some believe that the strategic value of Israel had been diminished in the wake of the "luke-warming" of the cold war with the Soviet Union. The aggression by Iraq against Kuwait and its threatening posture against Saudi Arabia show the fallacy of such thinking. The U.S. has committed (so far) over 100,000 personnel and untold military assets in the area. Saudi Arabia having purchased close to $100 billion of the world's most advanced weaponry, has been found to be totally impotent, even before the first lunge of the Iraqi aggressor and has asked for the protection of the United States. Kuwait, overrun in less than 24 hours by a small contingent of the Iraqi military, also had acquired tens of billions of dollars of sophisticated armament. All of it was "liberated" by the Iraqis. The most sensitive military secrets fell into enemy hands.

■ In order not to "offend" the Arabs, the United States Administration has asked Israel to "lie low" in this present conflict. Though highly classified and politically sensitive intelligence is provided by Israel to the U.S., Israel is indeed on the sidelines. It will in all likelihood remain in that posture unless it finds its own security threatened. And, that could very easily come about, because Hussein, feeling cornered, may attempt an attack on Israel. He would do that in the quite justified expectation that those Arab states that are now "allied" with the United States would promptly switch their allegiance. Because even though the Arabs hate each other, they are all united in their greater hatred of the Jews.

■ The U.S. carries most of the financial and military burden of the Middle East action. The Administration has decided that it is politically advisable to involve the Arab nations in this enterprise. We thus find ourselves with such unpleasant associates as, for example, Syria. Its president Hafez Assad, though the mortal enemy of Saddam Hussein, is equally unsavory. He has slaughtered his own citizens by the tens of thousands, he is a terrorist leader specializing in killing Americans (remember PanAm 103?), and he knows the use and value of hostages. All these Arab countries are likely to ask for a "reward" for their "cooperation" with the United States. And, the world already knows what "reward" will be expected: More pressure on Israel to yield Judea and Sumaria (the "West Bank') and the Gaza strip for a Palestinian independent state.

■ It is estimated that the cost of this present conflict is on the order of $50 million per day during the non-shooting stage. The cost is estimated to escalate to $1 billion per day if open hostilities break out. It is well to keep these figures in mind when discussing military aid to Israel. At present , Israel gets $1.2 billion per year in U.S. economic aid, almost all of which is repaid to the United States as service on debt. Israel also gets $1.8 billion per year in military assistance. Virtually every penny of it is spent in the United States. Compared to the cost of the present Mid-East operation, compared to the $130 billion spent each year on the defense of Europe, and compared to the $30 billion spent yearly in Japan/Korea, the contribution to Israel is a defense bargain. And there is an additional "bonus": Over 300,000 American soldiers are stationed with NATO, over 30,000 in the Far East, and close to 100,000 by now in Saudi Arabia. But there is not a single American soldier stationed in Israel and none will be requested. If and when the crunch comes, Israel will know how to inflict intolerable damage to Iraq or to any other enemy of the Judeo-Christian civilization, of which Israel is the only defender in that part of the world.

Israel is America's only reliable ally in the Middle East. Its undiminished strength and ability are of greatest political and military importance to the U.S.. Nothing must be done to diminish Israel's military potential. Yielding the "West Bank" to the hostile "Palestinians", Suddam Hussein's fanatic supporters, would be a suicidal move for Israel and a military catastrophe for the United States. One hundred retired U.S. generals and admirals are agreed that Israel must retain the Jordan River as its defense border. Those who consider Saddam Hussein's preposterous proposition that, in exchange for Iraq's withdrawal form Kuwait, Israel should withdraw from the "West Bank" do not understand the political and military realities of the Middle East.

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He concludes with a shrewd and skeptical look at the physiological ambiguities of inflammation—its redness and swelling with heat and pain, which are nonetheless to be acknowledged as the sign of the body's aggressive defense against infection—and the moral ones of heroic warfare in late modernity (problems of just wars, ends and means, counterproductive engagements, misidentified enemies, and so forth). "Since the beginning of the cold war we speak the language of neither war nor peace; we can no longer decide if our tissues are entirely inflamed or partially immune." Weissmann's argument follows a chain of passages from Metchnikoff, Ford Madox Ford, André Gide, Hugh Thomas, and a guardedly nostalgic parable preached from the text of what he calls "that tough tearjerker," *Casablanca*.

It is an energetic, even a cheerful, skepticism that marks this writer's temper, a sort that stems not so much from Diderot, whom he invokes, as from Montaigne. (I am constantly reminded of Montaigne's great essay "Of Experience," which moves from a meditation on how there are too many books to a long discussion of personal bodily hygiene.) Weissmann is not of two minds about the domains—often trivially characterized as warring ones—of advanced medical technology and the morally imaginative therapeutic encounter between doctor and patient. Rather, he is of one energetic and informed mind about the complexity of the relations of those domains.

A practicing biomedical researcher, his own moral life seems to derive continuing nourishment from the history of science and medicine. In every object of his mediation, he is as concerned with cultural-historical etiology as he is with cell physiology. In two essays—one typically rambling, the other more pointedly thematic—he takes up issues of "the two cultures," and in one of them, on the role of the humanities in medical education, he observes that teaching medicine to cultivated students is more advisable than teaching culture to medical students. (He goes on in this same piece to discuss popular writing about medical science and very effectively to demonstrate the great superiority of Sinclair Lewis in *Arrowsmith* to the more vulgarly "literary" sentimentalism of Paul de Kruif.)

A sad afterthought: there may soon be hardly any "cultivated students," in the United States in any case. Weissmann was himself, by the time he was in medical school, "better"—more widely, intensely, excitedly—read in poetry and prose in German, French, and English

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than almost any graduate student in literature I have recently encountered. He writes, of course, as a doctor, a medical scientist, a knowing lover of art and literature, and a modern liberal skeptic for whom the surfaces of events offer the traces of their histories that lie within them. But more than anything else, Weissmann writes as a passionate and wise reader. His writing is a wonderful antidote to the disease of discursive fashionableness, particularly in what is still called in the universities (for reasons that seem weaker every year) the study of literature. It is only one of his many achievements to have kept reminding us of why, and how, the notion of belles lettres once had a good name.

JOHN HOLLANDER is the author most recently of *Harp Lake* (Knopf) and *Melodious Guile* (Yale University Press).

CORRESPONDENCE *continued from page 4*

persons. The Court has not ruled on whether a conviction with a closer division than 9-3 would violate the right to a jury trial or the constitutional requirement of proof beyond a reasonable doubt. It has, however, unanimously held that a trial for a non-petty offense by a jury of fewer than six persons did deprive the defendant of his Sixth Amendment right to a jury trial. For petty offenses, those that carry a maximum sentence of six months or less, the Court has held that the right to a jury trial does not apply at all.

SILAS WASSERSTROM
Washington, D.C.

The writer is a law professor at Georgetown University Law Center.

Studying teachers

To the editors:

In "The Longest Gut" (Notebook, August 13) you advocate abolishing the undergraduate education major and making prospective teachers major in the subjects they plan to teach. You then tell your readers not to "expect to hear the idea from professional educationists." Really? The American Federation of Teachers—one of the organizations you specifically smirked at—has been on record since 1986 in support of requiring prospective teachers to have "a broadly based liberal arts undergraduate education, with at least one subject major," as well as professional education training.

The position of the Holmes Group was garbled as well. It does not advocate adding a fifth year to four-year education courses; it calls for having prospective teachers major in the subjects they plan to teach and devoting a fifth year to professional training.

But the real problem is that your position on the education of prospective teachers does not go far enough. Why is it necessary to trade off professional training in education for an academic subject-matter major when both can be accomplished? And don't prospective teachers—like prospective physicians—need both? I assume the editors at TNR wouldn't want to be operated on by a surgeon who had aced biology but had never diagnosed a real patient or held a scalpel. So why would they settle for having their children taught by biology teachers who had aced their subject but didn't have a clue about how to teach it to youngsters?

It is currently fashionable to assert that all you need to be able to teach is to know your subject. The experience of millions of college graduates with professors who couldn't give even a decent lecture would seem to belie this. And we all know mathematicians or historians or even writers who can't put across what they know to an educated adult, let alone come up with the four, five, or six alternative strategies you need to get twenty to thirty-five diverse children in a classroom to understand a concept.

ALBERT SHANKER
Washington, D.C.

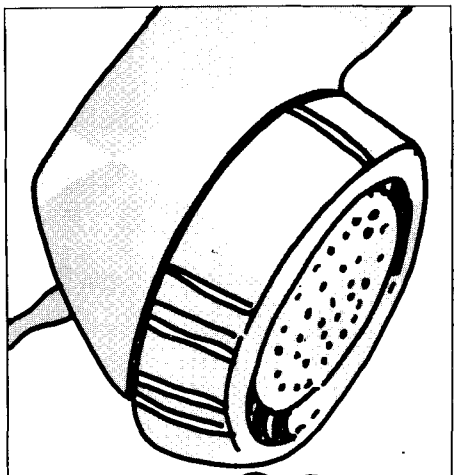
The writer is president of the American Federation of Teachers.

Ultra-lite history

To the editors:

Josef Joffe's "What Just Happened: A Lite History" (August 13) brought back warm memories of all the mangled schoolbook histories that brightened my adolescence. I noticed that in the pursuit of verisimilitude Joffe did some mangling of his own, to Louis XIV "of inflated memory" (Mark Twain). Louis's grandson was Philip V, not Charles V; the fifth "Charles" was not only not the son of Charles II, but nobody supposed he was (his claim to the throne stemmed from Louis's Queen Maria Theresa, Charles II's elder sister). So far from feeling "hemmed in" by the "dubious will," it was Louis's adherence to that will (in preference to an earlier partition treaty) that started the War of the Spanish Succession. And finally, Louis was not fighting against, but with, his grandson. (There was an Archduke Charles who was a claimant to the Spanish throne, but he was a grandson of Leopold I of Austria, not Louis XIV of France.) I hope more "history lite" is to come.

DAVID C. DREWER
Stanford, California



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CAMBRIDGE DIARIST

Grist from Mill

REMEMBER THE OLD NURSERY rhyme about the Brave Old Duke of York? "He had ten thousand men / He marched them up to the top of the hill / And he marched them down again." Can this be all George Bush plans for the massed American legions in Saudi Arabia? If he's very lucky the Iraqi army will do the marching down again. Then the administration will be able to depict the episode as a great victory, all the greater for the fact that nobody will have fired a shot. Anything less will be a tremendous embarrassment. But the president has erred in confining his stated purpose to the restoration of the *status quo ante*. This has invited those who never want the United States to be engaged abroad to scrutinize the democratic credentials of the al-Sabah dynasty and to find them sufficiently wanting to create a faux-idealistic rationale for not defending the Kuwaitis against the rapacious tyranny that has engulfed them. Yet benign but imperfect Kuwait is about the best government Arab civilization has been able to produce in our time. This is one reason for the consensus among friendly Arab states, which are the really important Arab states, behind military action against Iraq. But the longer we wait the more they will wonder and waver. After all, if we're not going to take out Hussein they will have to live with him—and his weapons, and his vindicated PLO admirers—once the United States has left.

THE KUWAITIS HAVE VESTED their hopes for rescue in us. Should we fulfill these hopes? A bit of political theory might help us decide. In his classic essay "A Few Words on Non-Intervention," John Stuart Mill argues the justice of intervening for a people otherwise "unable to contend successfully . . . against the military strength of another nation much more powerful." The Kuwaitis are just such a people. This is one of those cases, then, that reveal the doctrine of non-intervention to be a bogus incantation. Or, as Mill put it, the doctrine, "to be a legitimate principle of morality, must be accepted by all governments. . . . Unless they do, the profession of it by free countries comes out to this miserable issue, that the wrong side may help the wrong, but the right must not help the right. Intervention to enforce non-intervention is always rightful, always moral." And what would be the conditions of peace? Here too Mill posits a germane idea, that there need be no peace "unless with some other ruler than the one whose existence as such may be a perpetual menace." If Hussein and his country's weapons survive, the region will experience no relief and its peoples will live under a perpetual menace of precisely the sort Mill envisioned. Which is why only the removal of the aggressor and the aggressor's arsenal can truly vindicate this extraordinary mobilization of power and contingent will.

HITLER HAS MADE FEW APPEARances in the postwar history of Arab discourse, and just about none as villain. Then along came Saddam Hussein. Analogy is not analysis. Neither is allegory. But don't underestimate the emotive power of this particular allegory; its honesty is self-evident. Written by Zuher Alshaiq, it appeared in the September 10 issue of the popular Saudi Arabian daily *Asherarq al-Awsat*. "I used to admire the word 'dictator,' and all of the dictators from ancient Athens to Hitler. The leader Hitler, he was the hope of the Arabs. . . . On March 21, 1939, Hitler surprised the world by occupying Czechoslovakia. Then came the turn of Poland. After he had occupied Denmark and Norway he knocked at the doors of Holland and Belgium. . . . The story will continue about the losing bet placed by the Haj Amin Husseini on the Führer and about the fall of the tyrant. . . ." When the essayist writes about Hitler he means Hussein. The sequence of occupations is intended to suggest that Kuwait will not be the last of Iraq's victims. All this is clear. But why the allusion to Haj Amin? From 1921 onward he was the mufti, or head, of the Muslim community in Jerusalem, calling himself, perhaps appealing to the British pleasure in sonorous titles, the Grand Mufti. He was not a learned man but a schemer and a murderer. These skills gradually gave him and his clan dominance over Arab Palestine. He instigated several pogroms against the Jews and also the heady but ultimately futile Arab revolt of 1936-39 against the British. This last was also in the service of the Nazis. In 1940 and 1941 Haj Amin was in Baghdad to assist in the pro-Hitler coup of Rashid Ali. The regime fell, and the mufti spent the rest of the war in Berlin, a guest of the Führer. But, like his cousin Yasir Arafat after him, he remained the virtually undisputed tribune of the Palestinians; and, as Elie Kedourie put it, he "led them to utter ruin." So this allegory is not only about Saddam Hussein; it is about Yasir Arafat as well. Which is to say it is about the hapless Palestinians and the reckless leadership they've freely followed for seventy years. By thrilling to the devastation Hussein has wreaked on others they show the kind of polity to which they aspire.

HUSSEIN IS NOT ALL WRONG in muttering that the countries of the Gulf are not really nations. The Kuwaitis and the Saudis are not historical peoples the way, say, the Poles are—or, to put things in perspective, the Jews, who first gave meaning to the very notion of peoplehood nearly four millennia ago. But there is more semblance between state and society, more solidarity between governed and governors in Kuwait than there has ever been in Iraq. It's true that the borders of the entire region were set by the colonial powers after the collapse of the Ottoman empire. But they did so more skillfully in the south than along the Gulf, and more modestly. Iraq, by way of contrast, comprises so many different populations with different primordial identities that the notion of an Iraqi nation, despite its rent-a-crowd politics, is almost oxymoronic. Iraqi Shiites, a majority in the country ruled by others, think of themselves as . . . well, Shiites. Ditto the Sunnis and the Kurds and the Assyrians (at least those left of these last two groupings). Wake up anyone in the middle of the night in Mosul or Basra and ask him what he is. The one answer you won't get is that he's an Iraqi. In fact, as Robert Kaplan points out in this issue, Iraq is a perfect candidate for dismemberment. How about reviving the Kurdish republic? Let the experiment in national self-determination in the Arab world finally begin, and let it begin in Iraq.

BY THE WAY, SYRIA IS NO MORE a nation-state than Iraq. It too is divided by primordial loyalties. Before Secretary of State James Baker makes big plans based on his understandings with Hafez Assad, he should remember that Syria is ruled by a clique formed out of a heretical sect with 12 percent of the population; the other 88 percent despise them. If you think this makes Iraq and Syria seem like Lebanon, you're right. No, the Brits and the French did not do so well when they carved up the sultan's possessions. One thing they did do, though Saddam Hussein seems to have forgotten. They gave to Iraq the rich oil lands of the north, which might otherwise have been left with the Turks. Since the Iraqi government wants now to redraw frontiers, this is another place to begin.

MARTIN PERETZ

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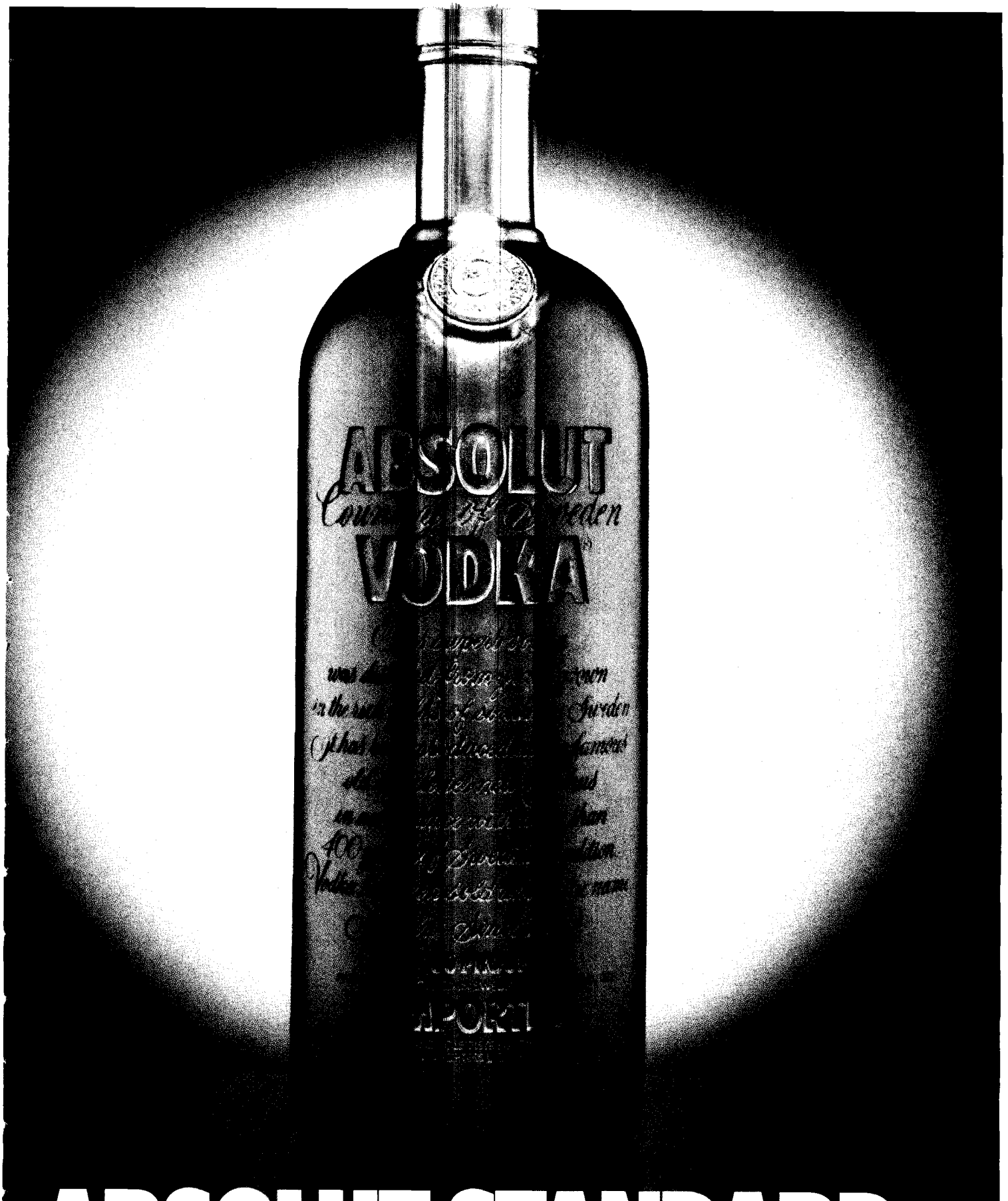

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